

Department of Finance

Honorable Mason K. Chock
Honorable KipuKai Kualii
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Arryl Kaneshiro

Excused: Honorable Gary L. Hooser
 Honorable Ross Kagawa

The Committee reconvened on April 7, 2016 at 9:14 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning. I would like to call back to order the Budget & Finance Committee and the Fiscal Year 2016-2017 Departmental Budget Reviews. On the schedule today, we will be hearing from the Department of Finance who will be walking us through their various divisions. We will also be looking at the Kaua'i Humane Society (KHS). As we do each morning, we will take public testimony. Anyone in the audience wishing to testify?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order and proceeded as follows:

Committee Chair Kaneshiro: Ken will take us through a quick PowerPoint presentation and then we will take a few questions on it, if not, we will move into the divisions because Ken folks did a great job of breaking up every division.

KEN M. SHIMONISHI, Director of Finance: *Aloha.* Thank you, Committee Chair Kaneshiro and Councilmembers. Ken Shimonishi, Director of Finance. For Fiscal Year 2017, the Department of Finance's budget remained basically flat at point one percent (0.1%)...sorry, hang on a second. The mission of the Department of Finance is to provide effective financial services to the people of Kaua'i and to all that we serve by establishing and maintaining a financial system that can properly account for its activities, obviously accountability is key. The Department is made up of nine (9) divisions, the Administration Division, which has three (3) employees that include myself, the deputy, and a secretary. All three (3) are General Fund. There are currently no vacancies in that Division. The next division would be the Accounting Division, which has nine (9) employees. Again, all General Fund. One (1) position is currently vacant, which is position 290, and we anticipate hiring before the end of this fiscal year or shortly into Fiscal Year 2017. Our Information Technology (IT) Division has thirteen (13) positions, all thirteen (13) are General Fund, and there are no vacancies. Our Treasury Division has two (2) positions, which both are General Fund. Again, no vacancies. Our Driver's License Division has thirteen (13) employees, seven (7) of which are General Fund, six (6) are covered by State programs to administer the various State programs. There is one (1) vacancy, and that is position 562, which is pending reallocation. That is a General Fund position. Our Motor Vehicle Division has ten (10) employees, eight (8) of which are General Fund, two (2) are covered by the State programs, and there are no vacancies in that Division. The Real Property Assessment (RPA) Division has nineteen (19) positions, one (1) of which is currently vacant, which is position 219, which is a Geographic Information System (GIS) Analyst, and an offer has been made. The Real Property Collections Division has six (6) positions, one (1) is an eighty-nine (89) day contract, and one (1) position is currently vacant and in recruitment.

Our Purchasing Division has ten (10) positions that are all General Fund, and no vacancies. The Department as a whole has eighty-five (85) positions, seventy-seven (77) of which are General Fund, eight (8) are covered by State programs related to Motor Vehicle and Driver's License Divisions, four (4) vacancies of that seventy-seven (77) in the General Fund.

Some of the successes and achievements in this past year in the Administration Division include we successfully launched and implemented our OPENGOV Transparency Portal. As you know, we have made an attempt to try to get our information more readily available not only to the Administration, Department Heads, and Council, but the public as well. We also received a revised bond rating outlook of AA/stable from what was AA/negative from Standard & Poor's Rating Services. This was received on November of 2015. We recently received the Fitch Rating Inc., which remained the same as the prior, which was AA/negative with a stable outlook. So slightly different, but it is still not going downwards would be the positive way to look at. Our Accounting Division continues to receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its work related to the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. It is the 22nd year consecutive year of this award. Our Accounting Division also successfully launched and implemented the Amplifund, which is a grants management software. I know this was mentioned in the Managing Director's presentation as part of the Mayor's Office. This is something we are looking forward to continuing to enhance and gather data on all of the grants that we receive, as well as the grants that we put out.

If you look at the presentation for IT, this does not do it any justice. This is just a quick sampling of some of the achievements as well as some of the challenges, but there is a very detailed list of achievements provided in our written presentation. We completed the County website overhaul, including the online directory of key personnel. They had major system upgrades done on the ERP system, SunGard applications, and our County phone system. I think something that was huge was the Real Property Assessment next generation upgrade for Tyler Technologies, our actual assessment software, as well as the Assessment Analyst solution using pictometry to help the Real Property Division look at various properties and find omitted properties, which is currently being launched. Another success is that the IT Division started implementation on the online sign-up reservations for events related to our parks facilities, camping permits, and payment for associated fees. We anticipate being able to run prior to the summer, is the deadline where we want to...before we get all of the summer activity coming into the County. I think something else that is really nice is this Paratransit Management & Fleet Tracking System to allow for real-time tracking of the Kaua'i buses and to manage our routes and dispatch. I have ridden the bus and I have seen the data of terminals mounted and the bus drivers using them to basically count the people coming in. It shows the Global Positioning System (GPS), the next stop, and the track of the bus. I think it is a real improvement over the clipboard, so to speak, method.

In the Motor Vehicle Division, we continue to see high volumes in that Division. We processed over 126,000 transactions in Fiscal Year (FY) 2015.

Our Driver's License Division continues to comply with the Real I.D. Act from the Department of Homeland Security, as well as the legal presence enacted by the State of Hawai'i verifying that a person applying for the driver's license is legally present in the State. Our Driver's License Division was also required to enact a new program, which is the Hawai'i Limited Purpose Driver's License, Provisional Driver's License, and instructional permits. These do not have the same stringent requirements as the legal presence, and these driver's

license may not be used for Transportation Security Administration (TSA) purposes in traveling.

In the Real Property Assessment Division, we continued improvement on the data integrity with pictometry and the assessment analyst system that I mentioned earlier. We first started the production phase...well, we moved out of the pilot phase and started the first production phase of reviewing up to three thousand six hundred (3,600) properties, which was slated for review. Our Real Property Assessment also continued the implementation of market modeling increasing the efficiency accuracy in assessing residential properties. They have a comparison to assessment versus sales, and it is upper ninety (90) percentile when they do their comparison. I believe it is ninety-six percent (96%) to ninety-eight percent (98%).

In the Real Property Collections Division, we continue to work on delinquent taxes by arranging payment agreements with taxpayers or executing foreclosures as a last resort.

Our Purchasing Division coordinated and successfully revised the General Provision for construction contracts. It took a lot of coordination to do that, which up until this time, was unchanged since 1973 and obviously obsolete. So hats off to our Purchasing Director, Ernie. The Purchasing Division continued the expansion of electronic procurement and paperless initiatives as well.

Some of the challenges. Obviously, it remains common throughout the divisions and similar to last year. We will always have limited staffing challenges with cross-training, succession training, countywide type of issues, unexpected vacancies, as well as increasing the demands with continued limited resources.

One (1) of the potential solutions we see, and this might be in the Goals section, but I put it up here, was we would like to utilize Proviso Section 3 where vacancies are expected and employees are willing to commit and document their departures. Section 3 allows for the temporary fill to get a shadow or training type of person in there prior to the departure. One (1) key area obviously is our Treasury Division, which we do not have the depth of having a second treasurer or assistant treasurer. But that is something that we hope to utilize in the upcoming FY 2018. Also, explore the ability for flex staffing between similar jobs positions in different divisions. That is something that we also want to look at as well.

Our goals and objectives. Again, this is just a sample of what we see coming forward in the next fiscal year. In our Administration, we obviously want to complete the long-term financial plan with GFOA. I think we pushed this back a few months. It looks like probably in October we should be able to have all of the policies that support this project to be finalized and then look towards providing the multi-year final outlook five (5) years starting with FY 2018. This was something that I had as a goal last year, but to create a program and process which provides executive level staffing and labor information to better manage staffing resources. We all know that staffing is the largest expenditure of the County, and really, how do we get good information out to our executives as well as the Council, or our Department Heads and so on, on what does it look like, what are the trends and so on?

Our Accounting Division remains to report accurately and timely all financial information, strives to promote transparency, streamline processes, increase efficiencies and consistency throughout the countywide operations.

Our IT Division's goal is to complete and implement formalized methodology for projects for involving technology-based systems. Again, we have a whole slew of goals in our IT Division, which includes implementing comprehensive cloud-based electronic procurement system, which is another big one that will touch all of the departments.

Our Motor Vehicle Division looks to reinitiate the scanning project process again to reduce their storage needs and make the historical data readily available as to having to retrieve files and hard copies.

Our Real Property Assessment Division's goal is to complete the installation of the Hawai'i-specific cost tables to be used in the 2017 assessment and maintain a high assessment to sales ratio in the upper ninety percent (90%). Again, this will be huge towards ensuring that we are continuing to have accurate assessment data as it relates to our real property.

Our Purchasing Division's goal is advancing electronic signature initiatives, which will allow expansion of current efforts towards paperless operations. So some of the in-house memorandums, I have actually started to electronically sign if they send it to me in portable document format (pdf) form rather than shuffling papers between departments. Obviously contracts would require more work as far as getting the notary and all of that, but I think we are moving in the right direction on that.

As far as the budget goes for the Department of Finance, again overall the first slide here is the budget by the various divisions, but you can see that we have basically remained flat at point one percent (0.1%) with a \$7,300 increase off an \$11,000,000 budget. The Administration saw the largest decrease, and the decrease was related to reductions in insurance premiums of about \$100,000, telephone \$12,000, and Consulting Services of about \$60,000. One of the things we did was we looked at the insurance being offered, and given the fact that the County really only had two (2) claims that exceeded the retention \$750,000 only, only two (2) claims in the County's history, one (1) was the Bynum case and the other is the Koloko Dam, plus the fact that we have a County Attorney, who I guess has a different philosophy restructured their office. They have a Counsel and Advice section versus litigation. Obviously they are able to do a lot more in-house litigation work, which would help keep any of the costs on claims down. The insurance industry is basically moving towards a \$1,000,000 retention, and therefore we went with a \$1,000,000 retention from the \$750,000, and that enabled to basically save \$100,000 on our premiums.

Our Accounting Division was able to absorb bargaining impacts with reductions in their overtime and premium pay, as well as dollar funding the workers' compensation benefit. This is a workers' compensation that was previous, but we do not expect any, well hopefully, any workers' compensation going forward. This is basically consistent across the County in this budget where we requested departments to dollar-fund their workers' compensation budgets. Some departments we may revisit, but for now, we have put this across all departments to try to control that piece of the budget. Overall, the Accounting Division has a slight reduction there.

Our IT Division increased due primarily to collective bargaining.

Our Treasury Division was the same in which it increased due to collective bargaining.

Our Driver's License Division was also able to absorb collective bargaining impacts with overall operating reductions.

Motor Vehicle Division, again, increased due to collective bargaining. They put in a little bit of money for some printers related to a new cashiering system that is going to come up this year.

Real Property Assessment Division. The salary increase in those areas are due to fully funding two (2) positions; one (1) was previously a dollar-funded position, position 222, and another position was previously a nine (9) month fund. So now we are seeing the impact of funding a full year compared to last year.

Real Property Collections Division has a reduction due to conversion of a full-time position to an eighty-nine (89) day contract for two (2) to six (6) months of the year, and also dollar-funding their workers' compensation as well.

Our Purchasing Division was able to absorb collective bargaining impacts as well. Part of that savings came through the hire of the Budget Analyst at a beginning level salary as opposed to what was previously in there.

Again overall, a point one percent (0.1%) increase in our budget of \$11,000,000. If you looked at where the increases came from, again, the salary and wages were three percent (3%), and then everything else basically was a reduction net out of \$7,300. So the last slide is just the budget variances that I described, and that is it.

Committee Chair Kaneshiro: Thank you. Thank you for a very clear presentation, and there is not much to say. You folks did run a very flat budget, point one percent (0.1%) increase, \$7,300 out of \$11,000,000, not much wiggle room for you folks. We will take questions on the presentation, and the Department of Finance provided a budget presentation that kind of goes through the order of the line items. If we have questions on the budget presentation, we will take it in that particular division. Are there any questions on this presentation? Councilmember Yukimura.

Councilmember Yukimura: Ken, I want to just say that I think your department has the most divisions, right, of any department, nine (9) divisions?

Mr. Shimonishi: Possibly.

Councilmember Yukimura: I think so. I do not think people...when they think of finance, understand the breadth of reach and all of the different services that you have to provide. Under your leadership, it has really been very impressive. Thank you. First of all, I want to say the OPENGOV, although I have hardly begun to know how to use it, is such a resource. When I had this "How to Have a Voice" session recently, I did not dare try to show them how to use it, but I did show them where it was and that it had the potential if they would go and learn how to use it. I think it is a real boost to government transparency and education. Then your long-term financial plan, I also really want to commend and look forward to it coming to fruition at the end of this year, at least the conclusions and the beginning of the implementation. Do you know whether other counties in the State are doing this?

Mr. Shimonishi: As far as the long-term...

Councilmember Yukimura: This kind of long-term financial planning.

Mr. Shimonishi: I want to say Maui has one. I know that we have modeled some of our policies along with Maui. We have also looked at other counties that our consultant recommended, but officially, I do not know if long-term financial plans for each county actually exist.

Councilmember Yukimura: Okay. Well anyway, I think if they are not, we are really setting a good model, and the State should be really commending us because I think the State has a stake in the counties being run financially well, and hopefully they will start to adopt some of our approaches, too. On the Standard & Poor's rating, did you say that...is this accurate here in your narrative, which we are at AA/stable?

Mr. Shimonishi: That is correct. The last rating that they issued was to go from AA/negative outlook to AA/stable outlook.

Councilmember Yukimura: Which is an upgrade?

Mr. Shimonishi: Correct.

Councilmember Yukimura: And you say here that the reasons include the County's return to balanced operation and budget, strong management with good financial policies and practices, adequate budgetary performance, and very strong liquidity.

Mr. Shimonishi: Yes, and liquidity would consider total assets against your liabilities, granted that does not take into account the pending...well, what we know as our retirement liability as well as our Other Post-Employment Benefits (OPEB), our actual accrued liability that is out there that we continue to make one hundred percent (100%) payments on. But given that, obviously our assets greatly exceed our liabilities.

Councilmember Yukimura: I see. Okay. Anyway, that is very good news, and it is great to see that our efforts are being recognized...your efforts and your team's.

Committee Chair Kaneshiro: I wanted to follow-up on the bond. Can you just give us a little bit more how this is impacting us in future? I know we have been paying down a lot of our Capital Improvement Projects (CIP), and we have heard about going out for another bond. How does this affect our rates? Having it upgraded, would this reduce our interest rate or what does that do for us?

Mr. Shimonishi: Yes, and maybe that is a question we can save for our Treasurer when he comes up. Obviously, I think any type of credit rating that reassures the lenders that we have the ability to repay basically, is a good thing and would result in ultimately lower interest rates being charged, which translates to lower debt service and savings for the taxpayers.

Committee Chair Kaneshiro: Thank you. Councilmember Chock.

Councilmember Chock: Along those lines, where were we previously at our highest rating? Where do we want to be? What is the goal?

Mr. Shimonishi: I think we obviously want to continue the best rating we possibly can, if it is an AA/plus positive outlook, if there is such a thing. I do not

necessarily know that we have a specific goal, but obviously we want to keep it positive, and not result in any kind of negative forecast going forward.

Councilmember Chock: To your knowledge, have we ever been at that highest rating?

Mr. Shimonishi: I do not know off the top of my head. I know I have something from the previous Director of Finance that has that rating, but I am not entirely sure what that rating was.

Councilmember Yukimura: I have a follow-up.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: In relation to Councilmember Chock's question, it might be good to have a goal based on whatever it is going to deliver to us, it would be good to know if we can actually quantify savings in our bond floats because of the higher bond rating. I mean, if it is not that advantageous for us to go for a higher rating, then fine, we stay right here. I mean, AA is pretty good, right?

Mr. Shimonishi: Yes. I think the priority would first be to get our financial position or our financial processes under control and well-managed and let the ratings come as they come, because I do not think we want to push to increase our fund balance solely for bond rating purposes.

Councilmember Yukimura: Right.

Mr. Shimonishi: We just want to make sure we try to manage our finances and our positions properly and continue...I know this is an overly used, but sustainable and structurally sound budget.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Last line on page 8, the last two (2) bullets. The second to the last bullet, Real Property Collections, reduction due to conversion of full-time position to eighty-nine (89) day contract and dollar-funding workers' compensation. What is the reasoning or thought behind dollar-fund workers' compensation? From the Department of Finance, is there any kind of policy call or directive that is being put out throughout the County as far as how to handle the budgeting of workers' compensation?

Mr. Shimonishi: Correct. In the budget instructions that we sent out, we requested that all departments dollar-fund their workers' compensation budget. We budget that position's salary, but if that position is out on workers' compensation, we are not paying that salary. So in theory, you should have some money to cover that cost.

Councilmember Kualii: Okay.

Mr. Shimonishi: What can surprise us is if there is a large medical type of expense related to that workers' compensation, so that might obviously overrun that amount.

Councilmember Kualii: Thank you. Do you have a follow-up on that?

Committee Chair Kaneshiro: Do you have a follow-up?

Councilmember Yukimura: I do have a follow-up.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Thank you. In the past or up to this budget, people have been putting in some moneys in case we had workers' compensation payments or liabilities.

Mr. Shimonishi: That is correct.

Councilmember Yukimura: And now you are saying they should have savings when a worker is out or where do the savings come from?

Mr. Shimonishi: Correct, because we are still budgeting for that position's salary, but if they are out on workers' compensation, then technically you have some of that cover that.

Councilmember Yukimura: Right.

Mr. Shimonishi: They may have some large expenses that they know are coming up if the workers' compensation has a large medical related expense that exceeds their salary type of cost. So there are some departments that have said that we know we have these large amounts coming. So for us to reconsider budgeting some moneys in their departments.

Councilmember Yukimura: Do you not have a large pool of money to cover workers' compensation department-wide if you have these extraordinary or unexpected charges?

Mr. Shimonishi: We have not budgeted that amount. We did create that for our vacation payout, a pool that is held in our Department of Human Resources (HR). We could consider budgeting a pool similar to that in HR for those that are unable to cover their unexpected workers' compensation. Again, we try to control the budget, so to speak, and not have all of these budget amounts in various departments that when times get hard, if they do not expend it, they can use it.

Councilmember Yukimura: Right, that is very good budgeting. Thank you.

Committee Chair Kaneshiro: Follow-up, because by dollar-funding it if there are unanticipated expenses in workers' compensation, then a division is able to say "we saved money on gas and we will put some money there." Are they able to do that and does that have to come in front of us? I know typically salary, but I do not know if workers' compensation is considered a salary line item.

Mr. Shimonishi: Right, you are correct. Any department can transfer money within any account that they have that has a budget dollar amount as part of the original budget passed by Council. It is only when there is no budget and they are trying to use that account or create a budget, then we need to come before Council or if for

some reason we are trying to go between departments or between funds that we need to come before Council.

Committee Chair Kaneshiro: During the year, say there is a large unanticipated workers' compensation dollar amount that needs to be funded, a division will try to see what money they have in their account first and worst case scenario would be to come back and ask us for a money bill or to transfer money from a different division?

Mr. Shimonishi: That is correct.

Committee Chair Kaneshiro: Okay.

Councilmember Yukimura: Follow-up.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Refresh my memory because I should know this. The departments can transfer from their non-salary accounts into salary...no, they cannot? I know they cannot transfer salary moneys into other accounts.

Mr. Shimonishi: Correct. We would obviously allow the transfer of non-salary or non-benefit accounts into the salary and benefit accounts. So we would allow them to increase that.

Councilmember Yukimura: Okay.

Mr. Shimonishi: We frown upon them trying to transfer moneys out of salaries and benefits into non-salary and non-benefit accounts because I think that was a criticism by the Cost Control Commission where if you have positions budgeted but you have salary savings in that position, that you should not be using that money to fund your operations.

Councilmember Yukimura: I thought there was almost a legal opinion that says you cannot transfer moneys from salary.

Mr. Shimonishi: I am not aware of that.

Councilmember Yukimura: Okay. Are you saying that you can transfer operational moneys into like workers' compensation?

Mr. Shimonishi: Sure.

Councilmember Yukimura: Is that in the salary or is in that in operations? I should look.

Mr. Shimonishi: I guess we consider salaries and benefits to be one (1) group of type of expense aside from the operations.

Councilmember Yukimura: Okay. As you experiment with the new policy, if you find that you need to make transfers that require our positions, it is much better to have a pool in HR or something, right?

Mr. Shimonishi: Yes.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Along those lines in the budget appropriations transfer report that our staff created for us based on the submissions you provide of all transfers, I see some small items going from salaries go to workers' compensation medical. But I see this large transfer and it says it happened November 20, 2015...Finance Administration...oh, it is insurance. It says Property Insurance to Excess WC Liability Insurance. Is WC workers' compensation?

Mr. Shimonishi: Correct.

Councilmember Kualii: And it is \$41,736 fund excess workers' compensation liability premiums renewal higher than anticipated. So is that the insurance part of workers' compensation?

Mr. Shimonishi: Yes, that would be the premiums that County was paying. I think we shifted money between insurance premiums account.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I think I missed this. This dollar-funding of the workers' compensation, is that a common practice for all departments then or is it just yours?

Mr. Shimonishi: That was common throughout the budget theme this year.

Councilmember Chock: Okay.

Mr. Shimonishi: I think it may be an exception, the Liquor Fund or some small fund, but other than that, it was a common theme.

Committee Chair Kaneshiro: The reason for that is in the past were big lapses for workers' compensation because you are already paying the salary and when somebody takes workers' compensation, that salary is already a portion of that thing, and then they budget this big line item for workers' compensation, but most of the workers' compensation comes out of salary line item and you lapsed all of this money.

Mr. Shimonishi: Right, and overall again, it is just trying to tighten up where we can without causing too much harm.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kuali'i: The next and last bullet point there is purchasing; absorbed bargaining impacts with reset of budget analyst salary. What does "reset of budget analyst salary" mean?

Mr. Shimonishi: When I left the position of Budget Analyst, it was higher than the new Budget Analyst in, but it was like starting at base level, so to speak. So there was savings in that regard.

Councilmember Kuali'i: By reset of the Budget Analyst salary, was that a reallocation or was that just back to the bottom range?

Mr. Shimonishi: Back to the bottom range.

Councilmember Kuali'i: Okay. So it was what it was, it went to the bottom step?

Mr. Shimonishi: Correct.

Councilmember Kuali'i: Okay. Thank you.

Committee Chair Kaneshiro: Thank you. I think that is what we have been encouraging a lot. A position, somebody maybe works a position for fifteen (15) years and moves, and then we end up hiring. We do not adjust the salary and we hire somebody at that position brand-new. I appreciate you folks looking at that and restarting the clock or whatever on it. As an employee stays there and learns and gains experience, then they will be able to move up that ladder. Any further questions on the presentation? Councilmember Yukimura?

Councilmember Yukimura: Your slide 9 where you talk about utilizing the Budget Proviso Section 3, it is very commendable that you are thinking of using that. Do you know whether we have used at all in the County?

Mr. Shimonishi: Yes we have.

Councilmember Yukimura: How is it working?

Mr. Shimonishi: I am thinking it works. One (1) instance I know of was the Department of Public Works, Fiscal when the previous top fiscal person was leaving that they were able to move up the next person to shadow and bring in a replacement. I think that obviously helped ease the transition to have that overlap for if it is six (6) months or a year. We obviously want to do it at least for six (6) months on our Treasurer position.

Councilmember Yukimura: Yes. Okay, and that is where you are targeting for this year, your Treasurer position?

Mr. Shimonishi: Well actually, we are looking to utilize that beginning Fiscal Year 2018, so July 1, 2017. It is not in this budget, but we would anticipate using that at least from then or possibly sooner if we have other instances that meet the criteria.

Councilmember Yukimura: Is this really workable only where the employees are willing to commit and document their anticipated departure?

Mr. Shimonishi: That is my understanding from HR.

Councilmember Yukimura: Okay. Has that been the case with the Treasury Division?

Mr. Shimonishi: Yes.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: We have been fortunate, because Treasury Division has two (2) employees, both of them are about ready to retire, and fortunately, he was able to tell the County way ahead of time that he is planning to retire at a certain date. So they have time to move around and try and provide some type of succession plan, which he gave us two (2) years notice, which is great because with a two (2) man office if somebody leaves with two (2) weeks, we are pretty much screwed.

Councilmember Yukimura: Right, and he has been there for twenty (20) years.

Committee Chair Kaneshiro: Yes.

Councilmember Yukimura: It is a very key position, so bringing somebody in cold is not a good idea at all.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Along the lines, do we have any other indication of other positions similar that we can...as the Treasurer's position, take advantage of that you know?

Mr. Shimonishi: I am not aware of, but the division heads might have a better handle on that than me. But nothing has come up to my attention as clearly as the Treasurer's.

Committee Chair Kaneshiro: Any further questions on this?

Councilmember Yukimura: Oh, not on this.

Committee Chair Kaneshiro: Okay. Councilmember Kualii.

Councilmember Kualii: On the presentation, no.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: On the slide presentation, slide 10, where you talk about your goals and objectives, create a program and process which provides executive level staffing and labor information to better manage staffing resources, could you explain this? I am not clear what this means.

Mr. Shimonishi: Our system, as we all know, is an older system. A lot of information that comes out is good, but it is a lot of detail with not easily understandable or summary of information, but I think what the department heads and the Administration needs to see is how many man hours are we spending each pay period, how does it trend,

what is it between productive and non-productive time, how much is sick, how much is vacation, how much is vacation and leave of absence, and all of these types of things that right now each department head gets a payroll register to look at and looking at only one (1) person at a time. It is hard to really see how the operations flow pay period after pay period or month after month. We try to get something like that, which relates to the largest expenditure of the County.

Councilmember Yukimura: Yes, employees or labor?

Mr. Shimonishi: Right.

Councilmember Yukimura: That is really excellent, and to some extent, if you do job costing more accurately, you can also get a lot of good information that way, too, about how much certain jobs cost or what is the standard for certain jobs. Is that all part of this?

Mr. Shimonishi: I am not quite sure if we are getting to that point yet, but just starting off with small steps and get some good summary data to see what it takes to run this baseyard or how many hours of non-productive time was paid, and things like that.

Councilmember Yukimura: Okay, that is excellent. Thank you very much.

Committee Chair Kaneshiro: Any further questions on the presentation? If not, we will move into the actual line items of the Administration. Councilmember Kualii.

Councilmember Kualii: I appreciate the way you did your presentation. It might be good to give budget instructions on doing the presentation in this manner, just get to the number and summarize it. In less than an hour, I think you gave us a really good picture of everything, and I think now when each of the divisions come up, that will go quicker because in your summarizing presentation you have already answered some of the questions that we would have gotten to in the divisions.

Committee Chair Kaneshiro: It was a great presentation. You highlighted your goals, and you highlighted any financial impacts to your budget, which these are all the questions that if you did not show it, we would have asked it anyway. So you kind of beat us to the punch, which is great because you saved time on that.

Mr. Shimonishi: Thank you.

Committee Chair Kaneshiro: We will go through the line items for the Administration Division. Any questions on the Administration Division? I had a question on temporary hire, \$60,000. What was that for?

Mr. Shimonishi: So that is an allowance countywide in the event that we have smaller departments that are not able to absorb bargaining impacts or something that comes up, that would be funds available for that, and we could use those.

Committee Chair Kaneshiro: Okay. It is not necessarily just for your department?

Mr. Shimonishi: No, typically we do not use those funds. Again, I think it is referenced in the Section 3 Budget Proviso.

Committee Chair Kaneshiro: Okay. Automotive went down \$30,000?

Mr. Shimonishi: Right. We looked back at our historical claims that the County has to pay for out of vehicle damage, and we just tried to cutback to again, to reduce our budget and keep above what we experienced.

Committee Chair Kaneshiro: Any questions from the Members? Consultant Services went down a bunch. I know we did different consulting services last year and we have a new consulting services line item this year that is a lot smaller. Are we putting off consulting services to save on the budget? We are just saying this is all the consulting services that we need for this year, and then maybe next year it might change?

Mr. Shimonishi: Actually in this particular instance, I believe there was a duplication between what was budgeted in Department of Finance Administration for actuarial work on workers' compensation that is actually handled in HR now, and they have a budget. So we eliminated that money in this budget going forward.

Committee Chair Kaneshiro: So we will end up seeing that in HR's budget?

Mr. Shimonishi: Correct.

Committee Chair Kaneshiro: Any questions? Councilmember Yukimura.

Councilmember Yukimura: Under Consultant Services, you also have Bond Counsel at \$5,000. Does the Administration have a timetable for another bond float?

Mr. Shimonishi: Well, this money is actually relating to more of training, how our previous bond Counsel Brian Hirai came in and gave a countywide type of training on the bond, the leases, what our responsibilities are, and so on. As far as the timing on a new bond float, we are thinking the upcoming Fiscal Year 2017, which we would obviously have to come before Council to have vetted and approved.

Councilmember Yukimura: The cost therefore, is not in the budget and you would come in mid-year to ask for that?

Mr. Shimonishi: Any new bond float would be inclusive of the costs of issuance, so basically, we would net the cost out of the proceeds of the bond.

Councilmember Yukimura: Okay, so General Fund moneys are not anticipated to be needed?

Mr. Shimonishi: Correct.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Under Special Projects, can you explain the Disaster Trust Account and Sewer Credit?

Mr. Shimonishi: Disaster Trust is again, an allowance in the event of an emergency that we can access pretty much immediately.

Councilmember Chock: Okay. What about the Sewer Credit?

Mr. Shimonishi: Sewer Credit is something where I believe based on income type of exemption, we pick up the cost of the sewer bills for the needy or the allowance. I was told it is \$20 each.

Councilmember Chock: So you folks administer that credit or that discount?

Mr. Shimonishi: Right.

Councilmember Chock: Okay. Thank you.

Committee Chair Kaneshiro: Any further questions for Administration?
Councilmember Kualii:

Councilmember Kualii: The Grove Farm Company, Inc. Puhi Metals Recycling Liability, what is that again? \$800,000?

Mr. Shimonishi: That is the allowance that we have set up for the ongoing remedial work of that area.

Councilmember Kualii: Is it actually for the land itself?

Mr. Shimonishi: Correct.

Councilmember Kualii: Cleaning up the land or whatever.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Just a follow-up. How long more do we have on that?

Mr. Shimonishi: I do not have a good date on that. I think it depends on how much metal is moved off of the property versus for them to be able to get to do the actual work. I think it stalled a while, but that would be a follow-up question for Solid Waste as they manage that area. It comes out of the Department of Finance Administration's accounts a claim, but again, our Solid Waste Division is actually the one tracking and managing that.

Council Chair Rapozo: Did we utilize all of the funds last year?

Mr. Shimonishi: No, we did not.

Council Chair Rapozo: Is this a carry over?

Mr. Shimonishi: Correct, whatever we do not use would lapses back to the General Fund, but we obviously need to put the allowance in if they do the work.

Council Chair Rapozo: Was the line item more last year last year?

Mr. Shimonishi: I am not sure. I do not believe so.

Council Chair Rapozo: I can check. Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I would like to ask for an executive session briefing on where we are on this project. Go ahead.

Council Chair Rapozo: It would probably be the next available Council Meeting before budget ends. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I want to say that even though the four (4) line items for the Kaua'i Humane Society is here under Special Projects, are we going to hear more detail about that later?

Committee Chair Kaneshiro: This is the amount that the County is contributing to the Kaua'i Humane Society, and then we also receive the Kaua'i Humane Society's budget that shows where our money goes in their budget and what are our moneys are allocated to.

Councilmember Kualii: Are we going to address that later, the last bullet of the day?

Committee Chair Kaneshiro: If you have any questions on these particular line items, we can ask Ken now, but the new item would be the Barking Dog Ordinance \$20,000, which is for enforcement, and the dog license went up a little bit.

Council Chair Rapozo: I do have one (1) question on the contract.

Committee Chair Kaneshiro: Council Chair.

Council Chair Rapozo: This is going to be answered later, but I just want to put it out there, are we considering revisiting that contract? I know we have talked about it a while back to determine what in fact are we going to ask the Kaua'i Humane Society to do as it relates to Hawai'i Revised Statutes (HRS).

Mr. Shimonishi: Are you talking about just going and doing the dogs part as opposed to...

Council Chair Rapozo: Well, tightening it up so that it is not so broad that we are required to pay for services that should not really be paid by the taxpayer, is the way to put it gently.

Mr. Shimonishi: Yes, that contract is up for renewal in May. We can obviously start that whole process.

Council Chair Rapozo: I am not sure. I guess we could do that on the agenda as far as what the Council believes the Kaua'i Humane Society is responsible for versus what should the Kaua'i Humane Society be responsible for because I think it has evolved, and because the contract is so broad, we are almost obligated to fund areas that maybe should be funded by the Kaua'i Humane Society and their donors and not the County taxpayers. Is that contract extendable by month?

Mr. Shimonishi:
can extend it month by month.

According to...it is an approved exemption, so we

Council Chair Rapozo: Okay. I would say that we do that until we have that discussion with the Council as far as what the Council and the publication believes that the taxpayers should be funding versus what their foundation should be because it is quite expensive. Thank you.

Committee Chair Kaneshiro: Sorry. I might have misspoke. I know at one time the Kaua'i Humane Society provided a breakdown of where our \$760,000 went, but I am looking at their budget now and it is just their budget in full. So we do not know. I know before, they allocated a certain percentage of County funds to certain things, for example, electricity, they said for us to do the County services it is this much percent, so they allocate the \$760,000 in that manner. Right now, we just have their whole budget. Councilmember Kualii.

Councilmember Kualii: (Inaudible).

Committee Chair Kaneshiro: Okay. Council Chair, did you have a follow-up?

Council Chair Rapozo: No. I am assuming that in their quarterly report, and I have not look at the last quarter, but the quarterly report has a breakdown. I agree in the past, the budgets were broken down by percentage to show the County's share versus non-County's share, and maybe we can get someone to ask for that breakdown.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: The expenses show the breakdown, but you are saying that they do not show them...

Committee Chair Kaneshiro: This is in total. It includes all of the revenues that the...

Councilmember Yukimura: It does have a breakdown of all of the expenditures...

Committee Chair Kaneshiro: Actually, we will get clarification on it. I just looked at it briefly since we got it this morning.

Councilmember Yukimura: Yes, right. So are they not coming in as part of this budget hearing?

Committee Chair Kaneshiro: They will be here. They are the last ones.

Councilmember Yukimura: This afternoon?

Committee Chair Kaneshiro: Wherever we are.

Councilmember Yukimura: So we can ask then?

Committee Chair Kaneshiro: Yes.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Actually, I am not sure how they get this because they have \$120,000 down, but I am not sure where the other expenses come in or how they got that. So we can ask.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Any further questions for Administration?
Councilmember Kualii and then Councilmember Yukimura.

Councilmember Kualii: Position E-12, Private Secretary, we have a spreadsheet from HR on those raises proposed for appointed positions that are not covered by the Salary Resolution, and for this position it shows on the spreadsheet, that the salary as of July 1, 2016 would be \$68,412, but the budgeted amount is nearly \$2,000 above. Do you know why it is budgeted at \$70,158 on page 41? Even the projected amount for July 1, 2017 looks like \$69,504, so even when it is proposed at the highest point it is proposed it go to, it is not \$71,158.

Mr. Shimonishi: I would have to look at the information that was provided by HR to us to budget that salary amount because I understood them to include any step movements or any across the board increases that might happen mid-year.

Councilmember Kualii: And the other thing then if they are providing it wrong, then maybe you can just provide it; provide what you are proposing from...the salary was what it was in 7/1/15 and it probably changed 1/1/16. So provide what you are proposing on 7/1/16 and if you are proposing an additional raise on 1/1/17 for the two (2) movements, if you will, during this fiscal year budgeted.

Mr. Shimonishi: Okay.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Aircraft (inaudible) and liability...this is in your narrative. I guess it is in your line item on page 41 at the bottom. Is that for the helicopter?

Mr. Shimonishi: That is correct.

Councilmember Yukimura: In terms of total cost of operations of the helicopter, that would be a \$30,000 figure?

Mr. Shimonishi: Yes.

Councilmember Yukimura: Thank you. May I ask other questions?

Committee Chair Kaneshiro: Yes.

Councilmember Yukimura: In your narrative you talk about on page 6, property markets being a buyer's market, and you were seeking some marketing strategies to seek a modest rate increase from incumbent markets. You talked about the new facility

built by the Department of Water. I take it that the Department of Water pays for that proportion or not?

Mr. Shimonishi: That is correct. We actually have a premium split provided...and just to clarify, this section is actually provided by our insurance carrier, Atlas Insurance. But they also do provide us with a premium split of the insurance premiums for which we get reimbursed by the Department of Water on their section of it.

Councilmember Yukimura: Okay. One (1) more question. I had a question about your mission statement, which says "to provide effective financial services to the people of Kaua'i," that could be taken mistakenly sort of because you are not giving financial services like a bank does, and actually, you are providing financial services to all the County departments. I do not know if the word is financial services. Anyway, I just raise it as a question for next year. "Establishing and maintaining a financial system that can properly account for its activities" is superb. I think that is really what we are striving as a County to have. Thank you.

Committee Chair Kaneshiro: Any further questions for Administration?

Council Chair Rapozo: One (1) on the pollution liability.

Mr. Shimonishi: I am sorry, what is the question?

Council Chair Rapozo: Pollution liability.

Mr. Shimonishi: Yes.

Council Chair Rapozo: It references another County or another public entity. It says, "Based upon our recent experience with a similar Hawai'i public entity, we believe the County could secure a \$10,000,000 policy for \$75,000."

Mr. Shimonishi: So that is a recommendation by Atlas Insurance that the County look into adopting a pollution policy to cover us on potential risks.

Council Chair Rapozo: Like what?

Mr. Shimonishi: I am thinking it would cover things maybe if our fuel tanks spill or sewer spill, but to actually get the list of covered perils or what have you, we would actually have them provide us a quote as well as the coverages that it would entail. If that is something that we want to look towards getting, we can explore that next year or even this year if we so choose. We currently do not have that and have not had in past.

Council Chair Rapozo: I know. Is there a situation that we have experienced that this would have helped us or benefited us?

Mr. Shimonishi: I am not aware.

Council Chair Rapozo: Maybe like Puhi Metals?

Mr. Shimonishi: I am not sure if that would have been covered because it was a third-party type of...

Council Chair Rapozo: I am just trying to figure out...that is \$75,000, and I understand that the insurance company is recommending that, but have we vetted it to see if it is even...

Mr. Shimonishi: We have not. Basically, this year we just renewed the policies that we have, but I think we can further explore that obviously.

Council Chair Rapozo: The fact that we approved the \$75,000 does not commit us to securing the policy?

Mr. Shimonishi: We do not have that budgeted. We did not...yes, we did not enter into any kind of agreement on that. That is just their rough quote to us.

Council Chair Rapozo: So it is not budgeted?

Mr. Shimonishi: No, it is not budgeted.

Council Chair Rapozo: Alright. Thank you.

Committee Chair Kaneshiro: Yes, you had it as just a potential policy that we might look into in future. Councilmember Yukimura.

Councilmember Yukimura: I appreciate you kind of looking ahead and trying to see what our liabilities might be and how to protect ourselves. I think a fuel tank leak is something we have to keep in mind. I do not know how it would work at the landfill, but the landfill is a huge potential pollution liability, and if we structured the operations of the landfill like we are doing, with a...I mean, it is a horrible hybrid of third-party using County employees. I never really figured out how that actually works. I do not know whether, again, it would be considered a third-party action that is not covered by a pollution insurance for the insured, but I think we have a lot of potential liability in the arena of pollution. So it is good that you are looking into it because the transfer stations...even chlorine, water, and sewage, which is all potential pollution, right?

Committee Chair Kaneshiro: Again, just to be clear on what our current insurance covers, I do not know, maybe the current insurance does cover some type of hazardous or pollution-type activities.

Councilmember Yukimura: Does it?

Mr. Shimonishi: We would have to confirm that with our carrier, and obviously explore this option more.

Councilmember Yukimura: It is good to know to what extent our existing insurance covers pollution-like activities, certainly not good to make assumptions either way. Thank you.

Committee Chair Kaneshiro: Any further questions for Administration? If not, we are going move on to Accounting. Do we have any questions for Accounting? Councilmember Kualii'i.

Councilmember Kualii'i: On position 290, Accountant I, in your earlier slide you said, "Anticipate to hire prior to Fiscal Year 2017," it shows Accountant I here in

the budget, but the vacancy report shows Fiscal Specialist. Then, it shows varying dollar amounts for what the position is paid. What is it? What is the position? Is it Accountant I, or Fiscal Specialist, or is it just two (2) names for the same position?

RENEE YADAO, Accounting Systems Administrator: Good morning.

Councilmember Kualii: Good morning.

Ms. Yadao: Council Chair Rapozo, Budget & Finance Committee Chair Kaneshiro, and Members of Council, for the record, Renee Yadao, Accounting Systems Administrator. The accountant that you see budgeted in Fiscal Year 2017 is basically a re-description of the Fiscal Specialist.

Councilmember Kualii: So re-description like reallocation?

Ms. Yadao: It is a lateral movement.

Councilmember Kualii: Lateral.

Ms. Yadao: It is basically the same SR grade. The reason for the differing budget amounts is it that we have an eighty-nine (89) day contract hire.

Councilmember Kualii: So that is an eighty-nine (89) day contract hire?
Oh, for now until you fill the vacancy.

Ms. Yadao: Correct.

Councilmember Kualii: When did the lateral movement or the re-description happen?

Ms. Yadao: That was just currently done.

Councilmember Kualii: Just currently.

Ms. Yadao: Yes.

Councilmember Kualii: In the last month or two (2)?

Ms. Yadao: Right.

Councilmember Kualii: Okay. Thank you.

Council Chair Rapozo: Follow-up.

Committee Chair Kaneshiro: Council Chair.

Council Chair Rapozo: In your narrative, you anticipate hiring that accountant prior to Fiscal Year 2017.

Ms. Yadao: That is my anticipation.

Council Chair Rapozo: Are you actively recruiting for that right now?

Ms. Yadao: We have not gone out yet.

Council Chair Rapozo: When do you plan on going out?

Ms. Yadao: When I get the green light from HR.

Council Chair Rapozo: Do you know what is holding it up?

Ms. Yadao: I believe it is because we are utilizing position 290 currently, and the eighty-nine (89) day contract hire is currently in that position. So we had to temporarily reallocate that position to an Accounting Assistant, which is lower than the Accountant I. Whatever the details are, I am not certain; however, that is my anticipation that we do go out and hire prior to or shortly thereafter.

Council Chair Rapozo: Okay, because I am just counting the months and it is already April.

Ms. Yadao: Right.

Council Chair Rapozo: You would have to hire before July, right, is what you want?

Ms. Yadao: Right.

Council Chair Rapozo: Is that even possible with our County process?

Ms. Yadao: I am hoping that we can; however, if not, then it is what it is, and I just have to be patient.

Council Chair Rapozo: Thank you.

Councilmember Kualii: Follow-up.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: In the budgeted amount of \$42,696, is that the amount for the position as Accountant I, or Fiscal Specialist, or the position that it will become? You said it will reallocate to Accounting Assistant?

Ms. Yadao: That would be the amount as Accountant I.

Councilmember Kualii: Is there a big difference between Accountant I and Accounting Assistant?

Ms. Yadao: Yes.

Councilmember Kualii: Are you just not sure that the reallocation will happen or is that the plan?

Ms. Yadao: I believe that the reallocation will happen.

Councilmember Kualii: So then you should budget for what it is going to be. You are planning that it will be filled in the next three (3) months, and then you are planning for the salary on July 1st.

Ms. Yadao: Right.

Councilmember Kualii: And that will be the salary of an Accounting Assistant, that lower salary, if that is what the reallocation is?

Ms. Yadao: The reallocation is to the Accountant I.

Councilmember Kualii: Oh, the opposite?

Ms. Yadao: Right.

Councilmember Kualii: Okay. Sorry.

Ms. Yadao: No, that is okay.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Any other questions from the Members? Dues and subscriptions, we saw a decrease. Are some of the items we purchased there not something that we need to do annually, such as financial periodicals or financial subscriptions?

Ms. Yadao: Well in the past, we had certain dues and subscriptions for our payroll staff persons who are HR now, so we could trim those costs down.

Committee Chair Kaneshiro: So those dollar amounts are going to be in HR?
Sorry, I missed that.

Ms. Yadao: I believe so.

Committee Chair Kaneshiro: Okay. The GFOA membership dues increased, what is the basis for the GFOA membership dues?

Ms. Yadao: Basically it is an annual amount for members of GFOA. If you look at \$4,500, that is for the total of all of these various dues.

Committee Chair Kaneshiro: Oh, okay.

Ms. Yadao: Yes.

Committee Chair Kaneshiro: Sorry. I was thinking...

Ms. Yadao: No, that is okay.

Committee Chair Kaneshiro: Last year I think we had them all written down as different line items, and this time it is consolidated. I got it. Are there any further questions for Accounting? Councilmember Kualii.

Councilmember Kualii: What does EM series mean in positions 200, 285, and 206 mean?

Ms. Yadao: I believe it is Executive Management.

Councilmember Kualii: Executive Management.

Ms. Yadao: Or exempt.

Councilmember Kualii: Does that mean it is an appointed position?

Ms. Yadao: No, it is civil service.

Councilmember Kualii: Civil service, not in any of the Hawai'i government Employees Association (HGEA) or United Public Workers (UPW), but civil service?

Ms. Yadao: Technically no, but we tend to follow Bargaining Unit 13.

Councilmember Kualii: Bargaining Unit 13?

Ms. Yadao: Yes.

Councilmember Kualii: Okay. Thank you.

Ms. Yadao: You are welcome.

Committee Chair Kaneshiro: Any further questions for Accounting? If not, we are going to move on to IT. Thank you.

Ms. Yadao: Thank you.

Committee Chair Kaneshiro: IT is going to include...we will go through IT's line item budget first and then we can go through their CIP projects. Do we have any questions for IT? I know in the presentation that we received, they detailed all of their CIP projects in that. I do not know if we are going to have many questions on it. Are there any questions for IT as far as line items go? You can ask on the narrative. Councilmember Yukimura.

Councilmember Yukimura: Hi. Good morning, Brandon. I just want to say that I am very impressed with your mission statement. It is very well done and very clear. I have a few questions about your fiscal year successes and achievements, which is on page 16 of your narrative. You say that online services awareness improved, how to do you know?

BRANDON RAINES, IT Manager: Good morning everyone, Brandon Raines, IT Manager for the record. Online service awareness, basically we have had inquiries in the past about...we did a survey a few years ago, I think you remember that, and it was called the Citizen Technology Survey. A couple of things that came back was why the County does not have online motor vehicle registration payments and another one was real property taxes. As part of the redesign, we brought those layers up to the top and organized a centralized list on the website. We have not received any similar requests or inquiries on those items since then. By raising that awareness level and the visibility on the website in addition to not receiving any similar requests, we think that we have done a pretty good job.

Councilmember Yukimura: That is an indication, I would say. You say update completed as part of rolling out the new overhauled County website. Has that been done?

Mr. Raines: That is correct.

Councilmember Yukimura: Okay. Well, that is very good. I think if inquiries stop, that means that people are finding their way to whatever they needed. On the County website is there...this kind of feedback, the white on blue or is it...I pulled it up. What?

Mr. Raines: Are you talking about the grey text or the light blue text?

Councilmember Yukimura: No, it is blue on white. If the blue could be a little darker, I think it would stand out more.

Mr. Raines: I will take that under consideration.

Councilmember Yukimura: Thank you. Could you tell us about the Centralized Land Information Management system, which came up earlier in budget? I am not remembering exactly when, but we said we would talk about it here. I would like to hear about it because I think it is an essential tool for us to operate and give services.

Mr. Raines: Centralized Land Management Information system has been on IT's list and on my radar for a couple of years now, and more recently as part of last fiscal year cycle, we instituted what we call the Land Information Management Task Force. Essentially, we have land management information in several different systems in the County right now including a system in the Department of Planning, the SunGard system, which is primarily used by the Building and Engineering Divisions as well as the Real Property Division. Needless to say, having multiple different systems that do not necessarily talk to each other and in different groups having different ownership and interest in the data presents some challenges. The goal obviously, is to consolidate and merge these, where possible. That is why we have developed the Land Management Information Task Force. Over the last year, that group has worked together, pulling everybody together for regular discussions. One of the more recent decisions we made was in order to facilitate and get the process moving forward more quickly, we decided to hire a facilitator/consultant and bring them on-board to bring all of these parties together. The particular selected consultant has over twenty (20) years of experience doing the same thing and advancing similar programs on O'ahu. So we have been working with them and meeting regularly for the past several months, and we hope by the end of this...actually we are scheduled by the end of this fiscal or Q2 to have a report that should give us some tangible and actionable results that will allow us to look at what we have today, current state, look at the future state, identify the gaps, and then make recommendations for dressing those gaps, including requirements that would allow us to come back to the Council and ask for moneys to pursue perhaps a consolidated system to pull all of these things together or other interim-type of items. Again, we are on-target for getting that done by the ends of this second quarter of 2016.

Councilmember Yukimura: So that is essentially by the end of the calendar year?

Mr. Raines: No, by the end of June, we are supposed to have this report.

Councilmember Yukimura: Oh, excuse me, quarter 2016.

Mr. Raines: The end of Q2 this year. Following that, we will look at that report and start taking actions whether that is pursuing a new system, looking at interim steps in the short to medium term that we could work together better, improve our outputs, and those types of things. One (1) key part that has already happened is upgrading...I covered it separately, but upgrading the real property system from Tyler Technologies. We upgraded this past year from a very old client server version to what they call IS World, which is their current next generation product. So that brings us current with the most advanced technologies available. I think that Ken also mentioned assessment analyst, which communicates directly with that new system directly. The Real Property Division is using both of those systems to help them do their jobs better.

Councilmember Yukimura: If you get your report by the end of this fiscal year, do you anticipate needing any money or is that in your CIP?

Mr. Raines: There is no CIP project advance with that. We are trying to push the consultant as quickly as possible to get more information so that we may be able to come back during the supplemental process and have a number for your consideration.

Councilmember Yukimura: I see.

Mr. Raines: But that is really kind of pushing the analyses and the evaluation that is going on. We want to make sure we get it right, but to the extent that we can come up with a well-defined picture, direction, and cost for such a CIP project or anything else, we will be working with the Administration to bring that to your attention. I personally do not know that we will quite make that timeline. So my guess is if there is something like that, it would be mid-next year.

Councilmember Yukimura: Yesterday when we were talking about the Additional Rental Unit (ARU) Bill, we were talking about being able to analyze Līhu'e's residential lots and how many would be likely to take advantage of the ARU and how many are restricted whether it is by lot coverage or covenants or whatever. We talked about the joy of having a system that would spit out that data easily. I guess we are really far from that, but will this system ultimately enable that better kind of data production?

Mr. Raines: A modern functional Land Information Management System not only will partner with our upgrade to the real property system, but should provide a repository for everyone to share and communicate with. The real challenge from that is we buy this great tool, but we have to change our processes and procedures to get the information into the system.

Councilmember Yukimura: Right.

Mr. Raines: Not only historical, but also on an ongoing basis.

Councilmember Yukimura: Right.

Mr. Raines: Those are also some of the findings that we are asking the consultant to consider. It is great to have this non-technical super galactic tool, but it is very important that you have the staffing and procedures to use that. To some degree

we have some of that, but a lot of things are currently done on paper. Once we have a repository, we can start moving towards getting them off paper so that it is more of a click of a button to ask these types of inquiries rather than a lot of manual work to generate those reports, depending on what you are asking, the data may be in the system or it may be two (2) systems that you have to bridge together or it may be on paper. Our goal is to make it much more consolidated and centralized so it is just a report or a click of a button.

Councilmember Yukimura: As the Department of Planning gets into electronic applications for permits whether zoning or special use or Special Management Area (SMA), that information if we get this system in place, will be stored appropriately so that when we get our historical data input, which I recognize is a huge project in and of itself, would then be able to have better access to data?

Mr. Raines: That would be the goal as one portion of the overall goal here. The land information management system initiative is to give the Planning Department the tools that they need to do their job so that they can do not only automated intake, but also digitize their historical data. To a certain degree, that goes for all departments with land data.

Councilmember Yukimura: Right.

Mr. Raines: It is not just the Planning Department.

Councilmember Yukimura: Okay. Thank you very much.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you. Thank you for all the work that you do. I appreciate it. I think internally, we have been very successful at advancements. Number 4 in your mission statement, there is a portion of this, certainly not exclusive to your department, but it talks about efficiencies and how we can increase services for the community. I am wondering if you have any insight or new technology that we might be able to look into in terms of community engagement. For instance, OPENGOV is a great format for the community to access government. I have a strong interest in seeing that occur for every department in every level that is more system wide. For instance, at the Council level, we have an issue that comes up and there is a need to engage community. It is always difficult to make sure it gets out to everyone and vice versa, to receive it so that the intake is perhaps more organized. I was just wondering if there are solutions to moving in that direction that you might be able to look into.

Mr. Raines: Yes. I think obviously community engagement is a very important thing too, with all we do working for the County. In my opinion, to a large degree, a lot of that has to do with some of these streaming of the meetings that we do here. But a lot of the communication type campaign issues whether it be reporting issues, or trying to get the word out, or educating the public, has a tendency to be largely through E-mail and press releases, which we all know have a limited reach. Before I worked with the County, I certainly did not read the press release every single day. I think it is in the paper sometimes when they choose to pick it up. There are a variety of tools out there to help with community engagement. They are not all necessarily cheap. I think that you are right in terms of engaging the public for those that are technologically savvy and using their phones, E-mails, and that type of thing, there are some tools out there. For those people who do not use those, that type of automation may be very hard to reach obviously. So technology can help, but it

is not the solution. I think it is a strong part of the solution because as we know, a large part of the population does carry a phone, which is essentially a computer. So most of them have E-mails or some other way to get a hold of them.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I think I noticed in your narrative you talked about position 264 and 240. You said we will be looking to reallocate both of these positions. Is that an indication that you are looking to do that soon in this new fiscal year in July or in October?

Mr. Raines: Yes. For those reallocations, discussions have already been initiated internally. We are at the very preliminary stages of those discussions. We are looking at reallocating those positions. That reallocation would probably take place sometime in the next fiscal year, in Fiscal Year 2017. We anticipate that any funding of those reallocations we can absorb in the budget that we have submitted already.

Councilmember Chock: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: On your major systems upgrade, which is listed on page 17, completed hardware/software upgrades for the County's ERP system, Enterprise Resource...

Mr. Raines: Planning.

Councilmember Yukimura: Planning.

Mr. Raines: So that is essentially our SunGard system, also sometimes referred to as the AS-400. It has both the financial side of the house as well as what we call the "community" side of the house such as the building permits, code enforcement, and that type of thing.

Councilmember Yukimura: You say that including replacement of end of the life server platform, which is end of the life of the AS-400?

Mr. Raines: Yes. It is not really an AS-400 box, technically speaking anymore. It is an IBM iSeries box, which is a more advanced version, basically a miniature mainframe from IBM.

Councilmember Yukimura: Did you finish it?

Mr. Raines: Yes. We updated that box. As you know, we have been upgrading the system, getting new modules for the rest of the system. Given that direction and the fact that we have no real plan to move away from SunGard at this time, it was imperative that we update that box. We were able to do so without really increasing our budget because by upgrading the box, which cost plus the three (3) years of support that we bundled with it, got rid of the cost of the ongoing support for the old box, which had grown over time.

Councilmember Yukimura: Yes.

Mr. Raines: Effectively, we were able to achieve that with not really a huge net gain in operational expenses.

Councilmember Yukimura: That in and of itself is huge, to get to a level of performance on an old system without a lot of additional costs. That is very significant, congratulations, and thank you.

Mr. Raines: Just to point out, the box is new and also the software. It is not like the software has not changed in ten (10) years. We do keep up with the new versions that come from SunGard. To a large degree, that just maintains our business, but occasionally there are new functions and features that we need to run our business that come with those new updates. I think most recently this year, like the Affordable Care Act (ACA) requirements for Affordable Care Act. That was part of the more recent upgrades when we upgraded the software portion of that as opposed to the hardware.

Councilmember Yukimura: Okay. So you are able to meet current needs with an upgraded system, so our functioning is as good or better with the old system, and you have done it at virtually no cost?

Mr. Raines: That is correct. There is a little outlay for the cost of the box, but that got absorbed in the ongoing by having the maintenance reduced over those three (3) years. We effectively got it for a net-net gain.

Councilmember Yukimura: Are you thinking that this system will be able to carry us through for the next five (5) years?

Mr. Raines: Well, the old box lasted over ten (10) years. These IBM mainframes, even the more modern hardware, we would anticipate we can get a similar life span.

Councilmember Yukimura: Okay. Very good.

Mr. Raines: But you obviously need to monitor and insure it.

Councilmember Yukimura: Yes. Alright. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: With regards to these two (2) top positions, much like I asked from Administration, can you follow-up and give me a breakdown? This is for E-90 Executive Assistant to the Mayor and E-239 Computer Systems Officer. Can you follow-up and give me a breakdown of all proposed raises? Again, if there is a proposed raise for July 1, 2016 and then if there are any other possibly January 1, 2017. It would be helpful to know before then, what is the proposed change. Then, I think I saw they are anticipating some for July 1, 2017 also. Show me what the raises are proposed and what the reasoning behind those raises are.

Mr. Raines: Again, just to clarify, that is for the two (2) top positions E-90 and E-239?

Councilmember Kualii: That is correct.

Mr. Raines: Okay.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: I have a selfish question with both of you there. How old is our current accounting system?

Mr. Raines: The original SunGard system was purchased quite a long time ago. As I was saying to Councilmember Yukimura, we are on the latest version of that. I believe it is version 9, which came out earlier this year. The box is brand new as of this year as well. The product has been around a long time. As part of the aging that people still prefer the old green screen interface versus the available user interface (UI) design, which tends to give it kind of a bad name. There are next generation products available from SunGard and elsewhere, but to replace that ERP system, it would be a huge endeavor. Like I said, there is an alternate UI that does look a little bit more modern that has come over the years with more of the software type of the upgrades. IT is open to work with anybody to look at that and see if that meets their needs better. In some cases, we are using that alternate graphical user interface in the County, but other people, as is the case sometimes, still prefer what they know and that is the old green screen sometimes.

Committee Chair Kaneshiro: I have not seen a green screen in a long time. It was just my worry. We can continue to upgrade it. I know it is going to be a huge cost to switch the system. In the future, it is just something to think about. I know it is going to be a big cost endeavor to switch the entire system out, I do not know. Maybe it is just me, but I am a little scared when we continue looking at a green screen with all of the new technology that is around. Maybe there might be an accounting system that is more interactive, more inclusive, and you can do a lot more. If the upgrades are trying to incorporate that, then it is okay. But I am just trying to think one day we may say, "This accounting system is just not doing what we need to do." Just keep that in mind as we go forward. Of course, I know the cost is going to be humongous to overhaul a new accounting system. It seems to be working for Ken so far. I do not know.

Mr. Shimonishi: If I could just add a quick comment. You said, "It seems to be working," and I have to say hats off to our staff who continues to produce what they need to and get the job done. But I think obviously with a newer system, there are efficiencies to be gained, and it is through the matter of do we have the resources to put towards a new system and so forth? Some of the byproducts you might be seeing may be an indication of trying to work around an aging system, like getting OPENGOV. As great as it is, but really would that have been necessary if we had a top-notch type of system in place and all the other things we try to put in to kind of help us along?

Committee Chair Kaneshiro: That was my concern. There might be a system that can consolidate a lot of services that we have a lot of separate services. I am not sure if we talked about payroll, but I do not know if payroll would be a consolidated service into the system and just making it easier and more efficient for us. Of course, it does come with a cost. Councilmember Yukimura.

Councilmember Yukimura: You could look at it as an investment and a need to upgrade capability to meet future needs. Businesses do that every day. I do not understand all the interfaces. I know that this old system actually helped us get the first certificate of financial excellence, and it is old now. If we need to upgrade, as our Budget &

Finance Committee Chair is suggesting, that means we need a whole new system. We have to replace the AS-400, right?

Mr. Raines: Yes and no.

Councilmember Yukimura: Oh, okay.

Mr. Raines: The SunGard Enterprise Resource Planning system, or ERP system, has two (2) major sides to it. It has the fiscal side and it has the community side. I think I mentioned that earlier. The community side largely has to do with building permits and code enforcement. When we talked about land information management earlier, that initiative depending on where we go and what we decide to purchase as a County, may eventually effectively take that part off of SunGard or maybe not. Maybe SunGard has had a next generation product that we would buy that takes it off the AS-400 and moves it on to a more modern system that meets our needs. It could be SunGard or other vendor. Now, half of it is away. Now, it is just the fiscal system. Maybe that is a little simpler, but any time you talk about upgrading a financial system that has been in place for this long, we have built our business around it. Even just taking what we have today and taking advantage of the modern capabilities or different features and functions in that, could be a huge reconfiguration effort, which is not easily done. Not to say that it should not be done, but that is a business decision to be sure. In the meantime until that decision is made, we continue to enhance it. For instance, one of the things that is coming up this fiscal year is we are going to be implementing an advanced reporting tools on top of the database from this aging system, legacy system. They are going to be the most modern business and intelligence type of tools from Cognos, which is a pretty regular name out there when it comes to reporting. So there are things that we can do, as Ken mentioned, and there are things that are a little bit bigger of an effort. But to forklift that thing out of there is a multi-million dollar, multi-year type of effort any way you look at it. I can tell you for a fact, because O'ahu did it and it took them, I believe between \$5,000,000 and \$10,000,000 over the course of a three (3) to five (5) year period.

Councilmember Yukimura: Yes. It is not just the cost. I mean, we spend \$3,000,000 to \$5,000,000 pretty easily in this County, but it is also the disruption and the additional time and labor and effort that is going to be needed while you keep running the existing system, right?

Mr. Raines: Yes. I cannot remember who said it, but you have to fly the plane while you build the plane, right?

Councilmember Yukimura: Right.

Mr. Raines: That is our challenge on Kaua'i because we operate with a lot less resources than the other Counties. I will tell you that any type of large systems upgrade or change that you do, like a financial system, typically the way you would do it administratively is you take your A-team, a payroll person or a purchasing person and take them out of the loop. Their job is to work on that system upgrade. That is their job for a year or however long it takes to bring that system up, certify it, and bring it over. What I see when I look around is I do not think we have that luxury right now, so we need to solve that problem before we take on the systems upgrade problem.

Councilmember Yukimura: Maybe we have to grow a little bit more. Thank you.

Committee Chair Kaneshiro: I do not want to be surprised one year where we say, "Our system really is not meeting our needs anymore." I am glad that you are staying on it so far as any upgrades or anything we can do to continue to improve the system. My fear was we are just using this system and one day we are going to say, "Hey, this system is just not meeting our needs, we need a new system, and we are going to have to do the rollover very quickly," which I think would of course cause a lot of disruptions. Are there any further questions for IT? Councilmember Yukimura.

Councilmember Yukimura: Your goal for next year, I am looking for the paratransit. Where is that? Have you not done that yet? That is one of your goals, right?

Mr. Raines: I do not want to say "complete," but the Transportation Agency has been trained and are actively using that system right now on the buses. So from an IT perspective that is largely a completed project.

Councilmember Yukimura: Okay.

Mr. Raines: Thank you to the Transportation Agency. They did a very good job in taking the strong lead and owning their own system for their business. We provided technical support basically, to help make that happen along the way. But for the most part, contracts signed, implementation is done, and we will be handed over to support probably later this month.

Councilmember Yukimura: You will be handing over to support?

Mr. Raines: What that means is when you are in the implementation of a brand new system, you are working with a project implementation from the vendor, and at such time that you are stable enough after go-live that all the kinks have been worked out and the issues are done, then they hand you over to technical support for the vendor. We are very near that transition, which means that project has come to a close. I believe there are other things that the Transportation Agency would like to pursue as next steps with the system because this system lays foundation for a lot of other capabilities in addition to what we have done.

Councilmember Yukimura: The reconfiguration of the paratransit is going to be included, as I understand it, in the short-term transportation plan?

Mr. Raines: Right.

Councilmember Yukimura: The short-range plan for the bus, which I think just got initiated.

Mr. Raines: I think they would need to comment on that. The system that they need to support them is now in place.

Councilmember Yukimura: Yes. Okay. Good. Related to that is, well, not to paratransit per se, but to the buses. There was a scathing letter to the editor about the bus system not being on Google just recently. I am hoping that is a project, which I understand is not that complicated. I also met a couple in the bus, a couple from San Francisco riding the bus and seeing the island via the bus. They said as soon as they got to the airport, they went on Google and they could not find anything. They took a cab to Kaua'i Visitors

Bureau (KVB) and there, they got all of the information they needed about the bus and so forth. I am just wondering when we are going to be able to institute that feature.

Mr. Raines: Again, maybe that is a question better targeted at the Transportation Agency.

Councilmember Yukimura: Okay.

Mr. Raines: I will say that the system that we have in place should allow us to look at the routing data from a data perspective. We should be able to export that and put it on Google Earth or whatever. I did see that letter that you are mentioning as well and the form online. In addition to what the system that we just upgraded to might be done, we have actually used the GIS tools that we have in place and have a beta bus route map. Obviously, it is a busy time for the Transportation Agency and budget and rest of it. We have already been working with them on a GIS map that shows the routes online, which was the biggest complaint was hey, I cannot see the bus routes online. All I have is this old portable document format (pdf) table. To a certain extent, I believe that the data from the pdf table has ended up in the database. It is just a matter of time and resources. Like IT, I am sure the Transportation Agency faces their own challenges on a day-to-day basis. Technically, it is possible. We are working on beta GIS map with them pending approval. We could look at pushing that out or possibly using something like Google Maps.

Councilmember Yukimura: It seems like people go there, so if we can somehow interface with that. It builds confidence in the bus system because it is such a common feature. That would be good if we can move that project forward. Thank you.

Committee Chair Kaneshiro: Are there any further questions for IT? If not, this is a good stopping point. We are done with IT. We are going to take a ten (10) minute caption break and we will come back to the Treasury Division.

There being no objections, the Committee recessed at 10:54 a.m.

The Committee reconvened at 11:07 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are on the Treasury Division.

There being no objections, the rules were suspended.

Committee Chair Kaneshiro: Ken, do you have anything to say on the Treasury Division?

Mr. Shimonishi: Not really. The Treasury Division is basically just the two (2) staff costs and very little of anything else in there. It is pretty much flat.

Committee Chair Kaneshiro: Do we have any questions for the Treasury Division? I have a question from earlier this morning. The improvement of our bond, what does that do for the County? I know I mentioned earlier that we have been paying down a lot of our CIP and we may be thinking about floating another bond for new projects. How does that improvement in our bond rating help us and what does it do?

DAVE SPANSKI, Treasurer: Dave Spanski, for the record. There has been no improvement from the bond rating since June 2012. There has been a downgrade in April of

2014 from an AA to AA/Negative. Now, to understand, we had an AA rating outlook stable. With Fitch, we just had a conference call with them last week, they just issued yesterday or today, where they affirmed the rating of AA/Negative outlook stable, from negative. So that is not an upgrade. That is just a perception. The rating itself did not change, just their outlook from their perception of where we are heading.

Committee Chair Kaneshiro: Is AA/Negative and AA/stable is an AA bond?

Mr. Spanski: Correct. They are discussed as issues that have very strong credit quality. That is the highest rating we have ever had.

Committee Chair Kaneshiro: Okay. Councilmember Yukimura.

Councilmember Yukimura: With the bond rating of AA, then they issue what you call "perspectives," or what is the word part? That is not the rating per se, but it is an outlook?

Mr. Spanski: Yes, what their outlook is. You are AA and we noticed you had some problems. Say the outlook is negative, a couple years later, we reviewed you again, and we are going to confirm rating of AA, but you have improved. So we are going to improve the outlook to "stable."

Councilmember Yukimura: Okay, but Fitch just said we are still negative?

Mr. Spanski: They affirmed as AA/Negative outlook stable. They went from "outlook negative" to "outlook stable" because last time they reviewed us, we had three (3) years of spending down reserves.

Councilmember Yukimura: Okay.

Mr. Spanski: They reviewed us this year, they looked at CAFR 2015 and we got back into the positive. They said, "You folks are now starting to stabilize; however, ratings could change if you backtrack."

Councilmember Yukimura: Are we AA/Negative stable?

Mr. Spanski: Correct, with Fitch.

Councilmember Yukimura: With Fitch.

Mr. Spanski: For Standard & Poor's, you are AA/stable.

Councilmember Yukimura: No negative?

Mr. Spanski: No negative. The outlook is stable. With Moody's Investors Service, you are also AA.

Councilmember Yukimura: Are we stable?

Mr. Spanski: No outlook, just AA. A lot of people have their own little niches. So Standard & Poor's are the big people. Fitch is the people that when you say

“what is my rating,” I want AAA from Standard & Poor’s and Moody’s Investors Service. You hardly hear the word Fitch.

Councilmember Yukimura: Then, there is another level, which is AAA?

Mr. Spanski: That is correct, and that is excellent credit quality, which no one in the State of Hawai‘i including the State has, not even the United States has an AAA rating from all three (3) rating agencies. It is a very difficult thing to get. I think either North Dakota or South Dakota was AAA until the oil boom busted. So now they have been downgraded.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Thank you. Are there any other questions for the Treasury Division? If not, we are going to move on.

Councilmember Yukimura: I want to just say thank you for your consideration in giving sufficient notice of your departure. It will be a pretty big change and by your consideration, we are being allowed some time to train. I appreciate that and I guess you are going to be the trainer, right?

Mr. Spanski: Right. I will not have to pull the wagon. I can now get in the wagon and ride.

Committee Chair Kaneshiro: Are there any further questions? Seeing none, thank you. We are going to move on. You are still here for Driver’s License and everything else. His services go beyond the Treasury Division. Are there any questions for Driver’s License? Councilmember Chock.

Councilmember Chock: I have some concerns about the vehicle safety checks and the processes that have been placed on us from State. I believe that oversight sits in Driver’s License, is that correct?

Mr. Spanski: Correct. It is called “Periodic Motor Vehicle Inspections Station.” That is when you are safety checked. There are approximately fifty-four (54) stations on the island and one hundred fourteen (114) inspectors. It is a State of Hawai‘i program. The County has no jurisdiction. It is in the Hawai‘i Revised Statutes (HRS). They write the Administrative Rules. We are just their conduit to enforce. You have two (2) State funded positions. They are County employees, but their salaries are funded by the State.

Councilmember Chock: I see. The feedback I was getting was regulations are difficult, becoming more stringent, thus we are seeing a closure of those licensed to do so. There is that and then the second thing was that in some of their needs, these practitioners, issuing out safety inspections felt it was better suited it Motor Vehicle Registration in terms of oversight and information that they are needing in order to do this. There are some overlap between the two (2) Divisions. I just wanted to hear if you folks have been tuning into some of the issues, been addressing them, and what is going on with that?

Mr. Spanski: Do you want to respond?

Mr. Shimonishi: Thank you, Councilmember Chock. Yes, we were made aware that there were vehicle safety inspectors and stations that are voicing concerns. I think what you are talking about is the fact that suspensions were being issued for infractions. I think a couple of things that you need to consider is that this program, as Dave mentioned, the State program, underwent a real revolutionary change whereby instead of the inspectors simply checking off a piece of paper, writing that information in, and turning that in, they are now using iPads to take photos of the vehicles and the data was being transmitted electronically. On our end, the receiving end, the actual person who oversees that can actually see infractions that would not have been obvious upfront just by getting the paper. We have the data that is now being transmitted matching up against the vehicle registration data and if that is off, it does not match, that is also a violation, which the inspectors are made aware of so that they can go and correct those type of clerical issues. But if you get so many of those that again, according to the State statute, it results in whatever disciplinary action. If they are passing vehicles that do not meet the standards, it results in disciplinary action. We did have inspectors come and voice their concerns to the Mayor. We scheduled a training session this past Tuesday. I believe forty (40) plus inspectors came to attend. We held three (3) different classes at the War Memorial Convention Hall. It also involved the manufacturer of the system or the company, the vendor who runs the iPad system to be there to go through and show the proper steps, how to do corrections, and all of these things. But what it comes down to is are they meeting standards set by HRS in terms of State vehicle safety qualities, that still resides with the actual stations and inspections. My initial feedback that I got from our staff was that meeting or the training sessions were very positive. People understood what was being conveyed. I think there has been significant headway made in that direction. I do not know if you want to add any more.

Mr. Spanski: It seems like issues that two (2) years ago they came out with the iPad so now you can see the infractions. The registration does not match the picture of the license plate. You have to be on your decal. That is a minor infraction. They have seen infractions where they changed the license plate of another car, they passed it on another car for another car, so that is a violation. Those are the kinds of things that we can now catch that were not getting caught before. It has upgrade to the system. Once you take your car in, twenty-four (24) hours later it is updated into the motor vehicle system so they can verify that they can look at it and it has been up loaded into the system.

Councilmember Chock: I appreciate that upgrade in the process. I think it is a good thing and I am happy to hear that the training is really what was missing in the process because I know I also was getting calls that "I cannot find a place to get my safety inspection" or "I have to come all the way to Līhu'e and so forth." Thank you for addressing it.

Committee Chair Kaneshiro: Dave, you continue to sit here reminded me of a question I had written down that I skipped over, but this may be something that the Administration needs to answer. As far as the succession plan, is it in the County's plan to have the new Treasurer eventually that comes in still be responsible for Motor Vehicle Registration also, or is there a plan to have the Treasurer focus on our bonds and treasury things, and have somebody else focus on the Motor Vehicle Registration?

Mr. Shimonishi: It would be the latter. As we mentioned, the position what was previously the Chief Examiner in the Driver's License, we are looking to have that reallocated to more of a Motor Vehicle Registration and sort of a Driver's License Manager type of position to oversee those two (2) Divisions, and then have the Treasurer

focus purely on the bonds, holdings, investments, and all of that. So that is something that we are looking towards doing.

Committee Chair Kaneshiro: Okay. Are there any further questions? We are on Driver's License? Councilmember Yukimura.

Councilmember Yukimura: Well, I just want to acknowledge Dave for having done all of that.

Mr. Spanski: It is not really me. The strong supervision underneath them for over the years have really helped out. I am not the expertise. If one (1) of them were to leave, we would probably have to go to another island and ask for an expert and hire them and pay if they can send somebody over, make somebody who retired that was a supervisor, come over here and we have to pay their salary and transportation. It is a good move.

Councilmember Yukimura: I see that. Thank you. The IT Division talked about the how the website is more user-friendly and how they used to get a lot of inquiries how they could pay for motor vehicle registration by the web. That is happening and is it working okay?

Mr. Spanski: Yes. It is egov and you can do your car registration, just a normal renewal registration, such as if your car's renewal date is the end of April, you can go on the website right now and pay your registration over the internet.

Councilmember Yukimura: Can do you that for bicycles, too?

Mr. Spanski: Not at this time. We do not have it for bicycles. Bicycles are very difficult because a lot of people do not come in and register their bicycles.

Councilmember Yukimura: Right.

Mr. Spanski: But there are a few. We do not have a bicycle setup yet, no. Bicycles is very small.

Councilmember Yukimura: Yes.

Mr. Spanski: It is not \$85,000.

Councilmember Yukimura: Right. Well, I just thought...

Mr. Spanski: It could be something in future to look at.

Councilmember Yukimura: I just think bikers are the kind that would do it by the internet.

Mr. Spanski: They would ride in and say, "Look at my bike."

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Just as a follow-up, is there a fee to do the online renewal?

Mr. Spanski: Yes, there is a fee. You initiate the transfer. Say for example, Councilmember Chock, I happened to see his car. His registration was \$214, and I think he ended up paying \$7 out of the deal. For the provider, it is \$2.50. If he chose to pay by credit card, it is two point two percent (2.2%) on top of that.

Councilmember Chock: I do not know if I like you knowing all of that information.

Councilmember Kualii: It is going up.

Mr. Spanski: I wanted to give it some feeling so people could identify.

Councilmember Yukimura: You are a local hero.

Councilmember Kualii: Is it because we use another service and that is what they charge is to do it?

Mr. Spanski: That is correct. They are open twenty-four (24) hours a day, seven (7) days a week all over the world. You could be in Japan and register your car. "Oh shucks I forgot."

Councilmember Kualii: I am just wondering if more people might use it if it was no fee or lower fee, and if the offset is less volume at the counter?

Mr. Spanski: Say for example, for the first eight (8) months of this year counting motor vehicles, sewer, and real property, \$18,000,000 is spent over the internet to us, real lifesavings. If you wanted to subsidize that and say it was all credit cards, that two point two percent (2.2%), that is almost \$400,000 in additional fees you would be absorb.

Councilmember Yukimura: That the County would be absorbing.

Mr. Spanski: Correct. You are only netting not, instead of \$18,000,000, \$17,500,000.

Committee Chair Kaneshiro: Convenience costs money. Councilmember Yukimura.

Councilmember Yukimura: So those who want it should be willing to pay for it. You said \$18,000,000 is the total amount we take in for all of those fees?

Mr. Spanski: No, for the first eight (8) months of this year.

Councilmember Yukimura: Is that the total?

Mr. Spanski: All three (3) of them.

Councilmember Yukimura: Face to face and the website?

Mr. Spanski: No.

Councilmember Yukimura: This is just the website?

Mr. Spanski: Yes, this was just the website.

Councilmember Yukimura: \$18,000,000 came in through the web?

Mr. Spanski: Counting real property taxes, sewer, and motor vehicle registration.

Councilmember Yukimura: That is a lot of time saved. That is good. That is a lot of transactions.

Committee Chair Kaneshiro: Are there any further questions for Driver's License?

Councilmember Kualii: Yes.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Along the lines of what Ken said about the reallocation of Chief Examiner and Motor Vehicle Inspector, that has been vacant since November, which is four (4) months. When do you anticipate this reallocation to be done and then recruiting, and then filling? To get that reallocation done and position filled by when?

Mr. Shimonishi: That is a tough question. Obviously, we want to get that done as soon as we can. We have submitted the description to HR for their review. I think at best it would probably be the second quarter of next fiscal year. So maybe around September to December timeline, I think at best.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Are there any further questions? If not, we are going to move on to Motor Vehicles. Do we have any questions regarding Motor Vehicles? I do not have any either. No questions from the Members. Okay we will move on. Thank you. We are going move on to Real Property Tax Assessment. Good job.

Councilmember Yukimura: Thank you, Dave.

Committee Chair Kaneshiro: Ken or Steve, did you want to say anything real property tax. If not, we can just go straight into the budget line items.

Mr. Shimonishi: I will leave it up to Mr. Hunt.

STEVEN A. HUNT, Real Property Tax Manager: Good morning Councilmembers and Chair. Steve Hunt, Real Property Tax Manager, for the record. Without rehashing the report, I just kind of wanted to say that we have been going through some growing pains in terms of getting new software installed, advancing some of our technology, and having some gaps in staffing. That actually has gone from a challenge now to a success for us. I believe we have all of our positions filled, the last one just committed to our GIS position. In Real Property Tax Assessment, we are going to be a full staff for the

first time in many years. In Real Property Tax Collections, there was one (1) position that was dollar-funded as a recommendation from Vacancy Review Committee, which is the Senior Clerk position. That position will become a half-time position. It is funded for two (2) 89-day contracts to assist with periodic work throughout the year.

Committee Chair Kaneshiro: Okay.

Mr. Hunt: The growth in the budget in terms of Real Property, I think the Director of Finance already spoke to it. But primarily, the difference between Fiscal Year 2016 and the proposed Fiscal Year 2017 is filling a dollar-funded position, position 222, as well as fully funding. We had a nine (9) month funding in the prior fiscal year and obviously, we hired and now have to full that fully. The growth in the budget, which represents about three point eight percent (3.8%) increase primarily due to increases in salary, wages, and benefits, also with collective bargaining. The operations itself was cut by about \$7,100. In Real Property Tax Collections, the budget shrunk by about six point one five percent (6.15%). Again, primarily in benefits and that coming from dollar-funding the position, not having to pay benefits to a contract hire.

Committee Chair Kaneshiro: Okay. We will start with Real Property Tax Assessment. Are there any questions for Real Property Tax Assessment? It is a pretty flat budget also. All of the Department of Finance has been very flat, not much difference from the prior year other than costs that they could not help, such as collective bargaining. Councilmember Yukimura.

Councilmember Yukimura: I am reading about your limitations of office space and the changes that you have made and are continuing to make to accommodate or to support your staff. I am just interested in what the long-term solution is.

Mr. Hunt: Before committing to any long-term renovations to our office, we wanted to make sure as part of the space planning going on that, Real Property was going to remain in that area. There is no sense making any alterations to the exiting space if we are going to be moved elsewhere. Once we confirmed that is going to be our permanent location as well, we are in the process right now of working with the Department of Public Works, Building Division and Engineering Division. They are helping us with the electrical plan. The CIP moneys that are actually in the budget in this year's CIP is to do some electrical work. We would come up, probably expand the panel capacity. We have some electrical needs that probably because of the large scale printers, need to be very dedicated lines as well as looking at all of the IT outlets where we put our portal connections. So that is going to be laid out in this year's budget, maybe spilling over to next year depending on the timing of this. Once we have completed the electric plan, we actually have a conceptual space design, which would move the counters forward a little bit and move some of the exiting field books off to our right as we look out, and open up some space there. The thought was we would probably be able to create two (2) more desk spaces out of that redesign, but that would occur until probably maybe Fiscal Year 2018 for actual construction.

Councilmember Yukimura: Is that in your budget here?

Mr. Hunt: No.

Councilmember Yukimura: Is it in the Department of Public Works' budget?

Mr. Hunt: Right. It is in the CIP budget for the electrical work. I believe there is \$40,000 that is planned for hiring an electrical engineer to do the design work and layout the actual construction, we have not budgeted yet and it would likely also be a CIP project.

Councilmember Yukimura: It sounds like this is an interim or is this long-term?

Mr. Hunt: We are going to have to deal with having our full staff fit somewhere. We are trying to come up with very tight, cramped interim solutions. Right now, we have a few areas that are very tight with people that probably need a little more working room. We have not gone to desk sharing or sharing personal computers (PCs), but if it gets too tight, we may have to explore some of those alternatives. Right now, we are just looking to see with the space, whether we can carve out another cubicle here to accommodate our last person.

Councilmember Yukimura: Is there anything underneath in the basement?

Mr. Hunt: Storage. We have moved quite a bit of things from upstairs to the storage area and cleaned out some of our area just to accommodate the staff that we currently have. But again, we have one (1) more coming and it looks tight. We have not found a great location. So that GIS person is going to have to be cramped as well for a little while.

Councilmember Yukimura: Okay. Well, you folks are the ones that bring in the money and so we want to make sure you are supported adequately. I was just curious about the plans. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: On the two (2) vacant positions. For 219 you said "offer made." What about 221, Tax Clerk, vacant since October for six (6) months now? Was that already filled?

Mr. Hunt: We are interviewing next week. It was a Senior Account Clerk and now it is Account Clerk.

Councilmember Kualii: 221.

Mr. Hunt: I believe it was 272, if I am not mistaken.

Councilmember Kualii: Oh.

Mr. Hunt: Let me see what 221 is.

Councilmember Kualii: 221 is showing in budget as a Tax Clerk - \$39,000.

Mr. Hunt: Just Tax Clerk?

Councilmember Kualii: Yes.

Mr. Hunt: If it is a Tax Clerk, it is filled.

Councilmember Kualii: It is filled?

Mr. Hunt: I am showing Tax Clerk as...sorry. Which one are you talking about?

Councilmember Kualii: From the top.

Mr. Hunt: Okay, this is on the Real Property Tax Assessment side?

Councilmember Kualii: Right, Assessment.

Mr. Hunt: That has been filled.

Councilmember Kualii: 221?

Mr. Hunt: Yes.

Councilmember Kualii: So 221 filled. The only other thing, the two (2) new positions, 222 and 220, Real Property Appraiser III, Real Property Appraiser I; one (1) filled in January and the other filled in December. Was that one of the ones that you said with a dollar?

Mr. Hunt: 222 was a dollar-funded.

Councilmember Kualii: Yes. When I look at new hire report, the salaries seem quite different from what is listed here. I wanted to check and follow-up with the salary budgeted for 222 and 220.

Mr. Hunt: 222 was a returning employee. So it was not at the beginning step.

Councilmember Kualii: Is that 222 you said?

Mr. Hunt: Yes.

Councilmember Kualii: And then is 220 beginning step?

Mr. Hunt: 220 is beginning step, yes.

Councilmember Kualii: Okay. The last thing like I was asking from the others before, starting with Ken, if you could follow-up with proposed raises for position EM-54 and what it was.

Mr. Hunt: That is a civil service position. I believe they call them "works," which is basically recognizing that managers in civil service position follow the same raises as their collective bargaining units, so that would be tied with Collective Bargaining Unit 13.

Councilmember Kualii: What do you call it?

Mr. Hunt: Works, yes.

Councilmember Kualii: And collective bargaining...

Mr. Hunt: I think it is within range something.

Councilmember Kualii: Was it Collective Bargaining Unit 14?

Mr. Hunt: Collective Bargaining Unit 13, Scientific Professionals.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I see in your challenges also, a lack of vehicles.

Mr. Hunt: Yes.

Councilmember Chock: I was wondering until we get reestablished with the motor pool needs for you folks, is mileage or reimbursement an alternative? I did not see a line item.

Mr. Hunt: We did not put anything in for mileage or reimbursement. The hope was that the motor pool would be reestablished. Again, we had donated cars to the motor pool, some of which are still in it the OED motor pool. We have an electric and a hybrid in there. We are hopeful that by establishing a motor pool, we will get better utilization because right now we have down to two (2) dedicated cars at this point.

Councilmember Chock: Do you have a timeframe that will be online for you folks?

Mr. Hunt: I believe they are working out details on the contract, but I think they have a deal that has been at least in conception, has been agreed upon. I do not know if it is been inked or not, but I think Sally Motta could speak to that. I know she has been highly involved in that.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I would like to have maybe our Managing Director. The challenge of the motor pool worries me because I am not clear when the motor pool is going to be actually functional. I appreciate the focus on common good that Real Property Tax is willing to support it, but I am worried about you not having enough vehicles to do the work. Can somebody...

Mr. Hunt: Just to speak to that, I am sure she can speak to it as well. But we do have access to OED's motor pool. I believe there are five (5) vehicles in the smaller version of the motor pool that we do have access to. So granted, we have to sign out and reserve those, but that has expanded our capacity to some degree. We have also worked out with Driver's License, who has a vehicle, when it is available, if we run into a shortage of vehicles and they can afford to lend us the vehicle, we have that as a backup as

well. We have been trying to be creative in terms of accessing vehicles in the interim, but obviously getting the motor pool reestablished is going to be the long-term solution.

Councilmember Yukimura: Yes. If you have to go through the trouble of figuring out if that is available, and that is available, and that is available, that is a lot of time spent. I do not know if Countywide, there are other departments or divisions in your position where they have given up cars in the understanding that there will be cars available and they are not having that either until the motor pool gets functional. Are you involved with the motor pool, Sally?

SALLY MOTTA, Deputy Director of Finance: Oh yes.

Councilmember Yukimura: Okay.

Ms. Motta: *Aloha.* Sally Motta, Deputy Director of Finance. This has been an ongoing project that Ben Sullivan and I have been working on for two (2) years. We were able to put it in effect and it worked for six (6) months. At the end of six (6) months, everything was running smoothly, except that the provider of the actual service sold to another company. We have been sitting back waiting to see when this was going to become available again. At this point, we are in the process of passing proposals back and forth with our legal department. Ben Sullivan and Zipcar, who is the provider we had before, and we should have a contract in place. We are hoping by the end of this month, middle of next month.

Councilmember Yukimura: Okay. What services exactly does the Zipcar company provide?

Ms. Motta: They provide the hardware that goes into the vehicles so that we can have the keyless entry that works right off our fobs or the key cards that we all have. It monitors the performance of the cars and the mileage that is used on it. It sends us reports so that we can keep track of it. It also allows for an online reservation system that any of the employees that are authorized by their departments to use the vehicles, can automatically either go online and make a reservation or they can actually walk out to any of the vehicles that they recruit for, hold their card up to the window, and have immediate access. The keys are inside of the car and they are hooked there so that we do not have to worry about them being lost.

Councilmember Yukimura: Do you feel you have found a viable alternative to the provider?

Ms. Motta: Actually, it is the same provider. It is just that as I said, they were sold. So it is the exact same service we had before. We are aware of exactly what we are going to be getting at this time. They are giving us a six (6) month credit for the remainder of our old contract and we are getting an additional year.

Councilmember Yukimura: Why would the service stop with change of ownership?

Ms. Motta: You would have to talk to them about that. That was an internal decision that they needed to make in order to switch it over.

Councilmember Yukimura: There was some talk initially about the company going bankrupt. Was that part of it?

Ms. Motta: We know nothing about a bankruptcy because they were sold to another company and that company is owned by a major car rental company. So no, we do not know that.

Councilmember Yukimura: Is this something that we should try to do ourselves?

Ms. Motta: Cost-wise, no. It would require an additional employee full-time just to be monitoring cars in and out. When we first looked at the systems that were available, we looked at the ones that were going to be managed like what they have on O'ahu, which requires an additional employee, as I said. We looked at the ones where you have a box with the keys in them. This was the one that worked out the best that was going to be the most usable for all of our employees and their needs because this way, they can go in at any time to use the vehicle. They do not have to wait for an employee to be around and the vehicles will all be parked out in the lot so they will be available.

Councilmember Yukimura: Okay. I see how it would work. How much did this cost? I forget.

Ms. Motta: We are negotiating on that right now, but the amount in the budget is \$30,000 in OED and that is going to be sufficient.

Councilmember Yukimura: Okay. Thank you very much.

Committee Chair Kaneshiro: Sorry. I am might have missed this whole motor pool thing. We are doing a motor pool to reduce the amount of vehicles that we have, and we contracted somebody to keep track of like, a person gets a key, they can key into the cars. That is not working, but are we prevented from using the cars that we currently have?

Ms. Motta: Most of the cars at this time are assigned to different departments. The whole idea of the motor pool was so that we would not need to purchase new vehicles. We have not during the last two (2) budget cycles had to purchase anything other than a vehicle that was for a special needs, or trailers, or things of that nature; any of the four-wheel drive, the electric vehicles, gasoline, whatever, there has been no purchases. We had complaints that there were all of these vehicles parked over at the parking lot and not being used, so the whole idea was to save as much money as we could for the County on not buying new purchases. So any new vehicles will be purchased through the motor pool as needed because we still have a surplus of vehicles.

Committee Chair Kaneshiro: If we have a surplus of vehicles, why does Real Property Tax not have...I am getting confused.

Mr. Hunt: At the present time, the vehicles are assigned to individual departments. As you can see next door, obviously when you look at the parking lot, there is an underutilization by each department. The motor pool concept is getting great utilization of all vehicles. So it is not limited to real property or OED. If there happens to be a Planning Department vehicle or a Department of Public Works vehicle available and not being signed out for that day, I have access to it. Right now, I would have to make phone calls to every department and say, "Do you have a car I can use," be at their benevolence to

lend me a car or not and for how long. By having an actual software that allows you to make the registrations and book times for that vehicle, we can then lock up the use of a specific vehicle for that time.

Committee Chair Kaneshiro: Okay. But if we needed a car, there are vehicles available, right, because there are underutilized vehicles? If we had the system, we have the same amount of cars, but we are using the cars more efficiently because people have cars to sign them out. But now, we still have the same amount of cars, but it is just the coordination is a little more difficult because we do not know who needs a car and who does not. We have the vehicles and we are just...

Mr. Hunt: Part of the motor pool in concept, is changing thinking of individual departments or divisions that it is their vehicle. They are all County vehicles.

Committee Chair Kaneshiro: Right.

Mr. Hunt: Right now, it is their vehicle. So for us to ask, we have to go get permission from a department or division to use their vehicle when we do not have vehicles.

Committee Chair Kaneshiro: But we moved to the motor pool at one time, right, and then we moved back to it being their vehicle again. So that is where the conflict is?

Mr. Hunt: That is correct. Those vehicles moved back out of the motor pool to the departments that they were assigned to, with the exception of ours that we have a few in OED that are still shared vehicles.

Committee Chair Kaneshiro: Okay. We did not just say, "Oh, you are going to go back to your vehicle again?" It is still a pool and we have to try to coordinate it within ourselves. We just went back to the old system?

Mr. Hunt: Correct. We did not have the software or coordination to make that happen once the motor pool disbanded.

Committee Chair Kaneshiro: Okay. Are there any further questions? We are on Real Property Tax Assessment. If there are no questions for Real Property Tax Assessment, we will move on to Real Property Tax Collections. Any line item questions or questions for Real Property Tax Collections? If not, we will move on to Purchasing. No questions for Real Property Tax Collections? Councilmember Yukimura.

Councilmember Yukimura: On the Department of Hawaiian Homeland (DHHL) taxes, they are no longer being billed, but are you talking about prior?

Mr. Hunt: Yes, former taxes and arrears plus if there are any delinquencies on the Residential Refuse Collection Assessment (RRCA). If they are not paying the refuse, it would continue to add to their bills, plus bills prior to us stopping to tax Hawaiian Homelands.

Councilmember Yukimura: The arrears is \$106,000?

Mr. Hunt: And there may be some current delinquencies with RRCA in there as well, but the bulk, yes, would be in taxes and arrears.

Councilmember Yukimura: Okay. Have you tried working with DHHL?

Mr. Hunt: We have in the past. We have not been very successful in that. Other Counties have much larger tabs and are having the same issues.

Councilmember Yukimura: Okay.

Mr. Hunt: It is within their lease agreement with DHHL that if they fall in arrears, they are in violation of their lease, but it is difficult for us to get DHHL to start enforcing that because that is their landlord-tenant relationship on the lease and we are kind of third-party to that as a tax collector.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: The thing about the trash cans or the bill, so that bill comes on the real property tax bill.

Mr. Hunt: Correct.

Councilmember Kualii: But the trash cans are managed by the Solid Waste Division, correct?

Mr. Hunt: The actual cans are managed by the Solid Waste Division and we do the billing.

Councilmember Kualii: So the fact that somebody continues to get the can even though they do not pay for it, who takes care of that?

Mr. Hunt: That would be the responsibility of the Solid Waste Division to say, "We are no longer going to provide service."

Councilmember Kualii: The Solid Waste Division can stop the service and then they would indicate to you to stop billing, and then all you would be collecting on is the past amounts that was not paid for when they had the service?

Mr. Hunt: I think there is a minimum amount. I believe it is \$6 even if you do not get the curbside. I do not know if you can waive that portion of it. They are still going to be billed something, but they can cease curbside pickup and inform us so we can go to the minimum.

Councilmember Kualii: Is it \$6 for six (6) months?

Mr. Hunt: \$6 a month, if I am not mistaken.

Councilmember Kualii: If somebody is not getting the service and they, in principle, are not going to pay the \$6, at some point it is just going to add up and it is going

to be more of a hassle to collect it than what it is worth collecting, when you think about it. Between you and the Solid Waste Division, you folks will work together and figure that out.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Are we not billing anymore because the law says after seven (7) years there is no taxes?

Mr. Hunt: No. There was actually a comprehensive ordinance change that basically said that they are not even responsible for minimum tax anymore. There was a seven (7) year hiatus from the time that the individual lease was cut. So when it moved from DHHL to the individual lessees for the first seven (7) years, they did not pay taxes. After the seventh year, they were only responsible for minimum tax and now we have even waived the minimum tax. So they just stay and the seven (7) years continues in perpetuity. They do not pay property taxes. All they pay is the refuse collection.

Councilmember Yukimura: And yet they want services at their parks, roads, police, and fire. How many problem accounts are there in terms of rubbish pickup?

Mr. Hunt: I do not know.

Councilmember Yukimura: Can you provide that or who would provide that?

Mr. Hunt: I would have to work with the Solid Waste Division and our Real Property Tax Collections Division to find out who is not paying their RRCA. But because although it is separate on the bill, I believe the payment is viewed as I do not know if there is a priority. So if someone makes a payment on the property taxes but does not fund the RRCA whether it is the total or separated out proportionally, I need to find out how the billing is because they could be making payments on other portions of the bill that could put the whole property at-risk. Typically, because they are billed together, they are paid together so we do not have too many in arrears on one without the other.

Councilmember Yukimura: Actually, there is no bill for the property tax in many cases.

Mr. Hunt: For Hawaiian Homelands?

Councilmember Yukimura: Yes, that is all I am asking.

Mr. Hunt: Just Hawaiian Homelands, okay. I thought you meant island-wide.

Councilmember Yukimura: Well, that would be an interesting feature, too. Yes. It was just kind of grouped here. How many RRCA account problems are there island-wide perhaps, with DHHL as lessees?

Committee Chair Kaneshiro: Are there any further questions for Real Property Tax Collections?

Councilmember Yukimura: Oh, and what are the protocols for collecting and the combined delinquencies? What is the cost of the delinquencies with respect to garbage pickup?

Committee Chair Kaneshiro: When you say “cost” you mean what is outstanding?

Councilmember Yukimura: Yes.

Mr. Hunt: Okay, I was confused.

Councilmember Yukimura: Sorry.

Mr. Hunt: Not the cost of collecting, because I would have to figure out how many man-hours and that is a little more difficult.

Councilmember Yukimura: No, I am sorry. The arrears.

Committee Chair Kaneshiro: Total number of...

Councilmember Yukimura: The arrears in...

Committee Chair Kaneshiro: Total number of individuals or parcels and the total amount.

Councilmember Yukimura: Due or overdue.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Actually, one thing I would say is can you provide a breakdown of what makes up that figure? February 29, 2016, as of \$106,709. So that actually includes the tax part, trash part, and maybe how far since when.

Councilmember Yukimura: How far back.

Councilmember Kualii: Breakdown the amounts by year or a six (6) month period if that is what you bill.

Councilmember Yukimura: It will be fairly short for the rubbish pickup, but it is good to breakdown.

Committee Chair Kaneshiro: Are there any further questions for Real Property Tax Collections? If not, we will move on to Purchasing.

Mr. Hunt: Thank you. Thank you, Steve. Do we have any questions for Purchasing?

Councilmember Yukimura: Only congratulations.

Committee Chair Kaneshiro: My plan is we are going to take Purchasing, we will get to get an early lunch, and we will be back at 1:30 p.m. when we will look at Kaua'i Humane Society.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: If there are no questions, we can take our lunch break now.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Are there any questions for Purchasing?

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: You are lucky.

Councilmember Yukimura: It shows good work.

Committee Chair Kaneshiro: The plan is to take our lunch now. Actually Scott, can we come back earlier? What time is it?

Councilmember Yukimura: It is 12:00 p.m.

Committee Chair Kaneshiro: We will come back at 1:00 p.m. and we will take
Kaua'i Humane Society at 1:00 p.m.

Councilmember Yukimura: Okay.

Councilmember Kualii: Let us make sure they know.

Councilmember Yukimura: Sounds good.

Committee Chair Kaneshiro: Let them know.

There being no objections, the Committee recessed at 11:56 a.m.

The Committee reconvened at 1:04 p.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. Our final item for today is the Kaua'i Humane Society. They provided us with an income and expense sheet. It basically shows the County's portion. It is not the entire Kaua'i Humane Society. These are just our allocated expenses and the money that we put in. Do we have any questions for the Kaua'i Humane Society?

There being no objections, the rules were suspended.

Committee Chair Kaneshiro: Councilmember Yukimura. We have a revised sheet.

Councilmember Yukimura: I do have the revised. Thank you.

PENNY CISTARO, Executive Director, Kaua'i Humane Society: Penny
Cistaro, Kaua'i Humane Society.

Councilmember Yukimura: Good afternoon, Penny.

Ms. Cistaro: Good afternoon.

Councilmember Yukimura: Thank you for being here. We do have your revised sheet. Although I think we get it every year, maybe you can just help us understand what we are looking at. You have the income on the top and the expenses on the bottom. The first question is, are these expenses related to the function of the Kaua'i Humane Society that is under contract with the County?

Ms. Cistaro: Correct.

Councilmember Yukimura: Is that under the category of "animal control"?

Ms. Cistaro: The County Animal Management Program, yes.

Councilmember Yukimura: Have you shown the proposed budget, this year's 2016 budget, and the percent changes?

Ms. Cistaro: Yes, from the year that we are in.

Councilmember Yukimura: Okay. Do these expenses subsume dog, cats, and other animals?

Ms. Cistaro: It is dogs and cats. We do not charge the other animals off to the County.

Councilmember Yukimura: Okay.

Ms. Cistaro: Unless there was a major cruelty case and we needed that assistance, we would come to the County.

Councilmember Yukimura: Okay. Are the fees that you are now collecting in addition to the County contract?

Ms. Cistaro: Correct.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: In our finance budget where the item Kaua'i Humane Society sits, there is one (1) line item for \$760,000 just Kaua'i Humane Society. I see in your budget under "income," \$30,100 County of Kaua'i contract, \$760,000. Where are the other amounts; Barking Dog Ordinance – \$20,000, Dog License – \$60,000, and Cat License – \$14,000?

Ms. Cistaro: I am not sure I understand the question.

Committee Chair Kaneshiro: Ken is on his way also, but we do have dog licenses altered and dog licenses unaltered. It equals to \$60,000, but there is another one. Are the dog tags a separate fee that comes in?

Ms. Cistaro: Yes. It is a \$2 tag fee.

Committee Chair Kaneshiro: The dog licenses altered and unaltered equals the \$60,000.

Councilmember Kualii: Okay, so there is the \$60,000 and there is the \$14,000.

Committee Chair Kaneshiro: Then you can see the cat license altered is the \$14,000.

Councilmember Kualii: Right.

Ms. Cistaro: We collect the license fees, we pay that to the County, and the County sends us a check back. It is a reimbursable because that is the way the State law is written, and then there is a impound fee and boarding fee that is included, which is what gets us to the \$859,180 for income.

Councilmember Kualii: Where are you showing the \$20,000 for the Barking Dog Ordinance?

Ms. Cistaro: We wrapped that into the budget, so it is already in salaries and wages.

Councilmember Kualii: That is on the expense side, but what about the income side?

Ms. Cistaro: There is no income from the Barking Dog Ordinance.

Councilmember Kualii: In our budget we have \$20,000.

Ms. Cistaro: I know that the Department of Finance was going to add an additional \$20,000 into the budget. So instead of it being \$760,000, it would go up to \$780,000, but that was after a discussion and I had already presented to the Department of Finance.

Councilmember Kualii: So we have a mistake in our budget. We have to remove that \$20,000.

Committee Chair Kaneshiro: I think that \$20,000 is correct, but we are just going add \$20,000 more to "revenues" or part of the County contract to this.

Councilmember Kualii: But it is not in her budget.

Committee Chair Kaneshiro: But it is going to be included in the budget.

Councilmember Yukimura: Maybe in the supplemental budget.

Committee Chair Kaneshiro: Again, all the money that the County provides to them is in our Department of Finance section.

Councilmember Kualii: We just got a revised budget.

Committee Chair Kaneshiro: But that \$20,000 will get incorporated into the Kaua'i Humane Society budget eventually.

Council Chair Rapozo: In essence, it will be \$780,000.

Committee Chair Kaneshiro: Yes.

Council Chair Rapozo: That is how many I am assuming, right?

Ms. Cistaro: Yes. That was my understanding, but I know that I am...well, I do not know. But it has been \$760,000 for a number of years.

Council Chair Rapozo: Right. We did the money bill and then we decided to kill the money bill and do a transfer of funds from the Administration. That was for this year. I do not know if that has occurred. I am not sure if those funds have been transferred over for the remainder of this fiscal year, but the \$20,000 that is showing in the Administration's budget for next fiscal year. So your budget needs to be changed to \$780,000.

Ms. Cistaro: Yes.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I have a question on the insurance. I know it is a new line item of \$883 for the directors and officers (inaudible) and then also \$17,000 for general liability. This is our new expenditures. Can you explain the need and also the percentage? How do you break it out?

Ms. Cistaro: It was an oversight in last year's budget that it was not included. It has been included in previous years and it was a portion of the insurance. I believe it is forty percent (40%).

Councilmember Chock: Forty percent (40%). How was the forty percent (40%) determined? Was that contractual agreement?

Ms. Cistaro: We looked at individual expenses and some of it forty percent (40%), some is fifty percent (50%), and it really depends upon the actual item. We look at individual expenses like food, medical expenses, and things like that. Eighty-three to eighty-five percent (83-85%) of the animals that are coming into the shelter are County animals with only about fifteen to sixteen percent (15-16%) of the animals being actually surrendered by the owner and our entire responsibility. The County does not fund any of the adoption programs. We have to look at each expense as it comes in and decide who is going to pay what portion. It can be forty to fifty percent (40-50%).

Councilmember Chock: Okay. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. In the past, we had the budget reflect all of the revenue and the percentage of expenses that were charged to the County. Is that something that you folks have available?

Ms. Cistaro: It is not completed because we are still working on the Society's piece of the budget. I can provide that to you.

Council Chair Rapozo: Before the May submittal, is that enough time?

Ms. Cistaro: When is the May submittal?

Council Chair Rapozo: May.

Ms. Cistaro: Yes.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Along those lines, besides this budget with just numbers, is there an accompanying narrative like what the numbers represent, such as for salaries and wages, how many positions and what positions?

Ms. Cistaro: I can provide that.

Councilmember Kualii: Okay.

Committee Chair Kaneshiro: Are there any further questions, Councilmembers?

Council Chair Rapozo: I have a question on the operations.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: This is the only time we really get you here.

Ms. Cistaro: Barking dogs?

Council Chair Rapozo: Yes. Enough already. The dog adoption process, I have read some things on Facebook and I know I have heard from one (1) person actually testified personally. I think I may have talked to you about this in the past. What is the process? If I want to adopt a dog and I tried to get the chocolate lab. I could not get the okay.

Ms. Cistaro: I have to say I know the family we adopted it to has said that it is the perfect dog.

Council Chair Rapozo: I know.

Ms. Cistaro: I am sorry.

Council Chair Rapozo: Tell my wife. I just tried to sneak it in. If I go down there and I want to adopt a dog, what is the process?

Ms. Cistaro: You come in, you...

Council Chair Rapozo: I read the website and the website makes it seem very simple.

Ms. Cistaro: It is very simple. If you have another dog, we are going ask that the other dog come in so they can meet and make sure there is not a problem between the two of them. We have various locations on-property where they can meet. If there are kids in the family, we want the kids to come in because a lot of times we have no idea how the dog is going to react around children. Really, it is mostly talking. Is this the type of dog that is going to fit into your lifestyle? If you are a coach potato, a Border Collie or Chocolate Labrador probably would not be a good choice. So those types of things are discussed. But it is not a difficult process.

Council Chair Rapozo: It is difficult if the person just came all the way in from Kekaha and he had tried to apply or get the dog because the website does not make any reference to the Kaua'i Humane Society making a determination whether or not the currently owned dogs are sociable. When you read the website, it says you go in and it is a very short process. That is what it says. I think it says it is an hour or so. I forget what the thing was. But what I am hearing from the people is they are coming in and they are being asked a whole ton of questions, income, jobs, and all of those things. Then they are told, "Hey, you got to bring your animals here so we can make sure they fit," and that has discouraged a few people.

Ms. Cistaro: We do not ask income. We do not ask if they are employed. We do talk to them about the expense of the animal to make them aware of the costs, but those are not questions that we can ask nor do we require landlord approval unless they are looking at one of the more difficult breeds to find housing with. A lot of the landlords are very firm on not wanting certain breeds. We do make contact with the landlord on certain breeds. But we do not ask income level.

Council Chair Rapozo: Okay.

Ms. Cistaro: There is not this application process where people have to write answers to questions. It is all verbal.

Council Chair Rapozo: Okay.

Ms. Cistaro: It is talking with the counselor out in the shelter and then up at customer service. A lot of people come in more than one (1) time to look to see what we have. We talk about what the process is.

Council Chair Rapozo: As far as the socializing of the dog or making sure that they are compatible, is that a standard operating procedure?

Ms. Cistaro: That is standard.

Council Chair Rapozo: I am not going to argue with that because that is your policy, but I would suggest that is on the website so that when the people come in with the intent to take a dog home that day, that they bring their animals. I do not think it was ever done that way and it is probably a good practice because you do not want to take a rescue dog...

Ms. Cistaro: We have recently implemented a hold process so that if someone comes in – a lot of times somebody comes in not with the intention of adopting, but just to see what we have and then all of a sudden, I found someone. We do have a hold process and it is a written paper that they get that tells them how long the animal is going to be on hold for them so that they can bring in the family and bring in the other dog so that they can think about it overnight.

Council Chair Rapozo: Again, for the convenience of the general public, if they know ahead of time that there is a chance because if I am going look for a dog today, I want to bring one (1) home. That is me. I know we have decided “okay, I am going to go rescue a dog today. I am going to get one and I know I will find one I like.” Then to be told, “Sorry, we will hold it for you, but you have to go all the way back home and get your animals and come back,” it is a burden for many people, I think, especially if they live in areas that they have to fight traffic to come back.

Ms. Cistaro: Yes.

Council Chair Rapozo: All I am suggesting is that we put that on the website, that if you intend to go home with a dog today, bring your dogs.

Ms. Cistaro: Okay. I will look at the page again.

Council Chair Rapozo: What I am afraid of is once people, and I have read it on Facebook. When they ask you “If you have any other dogs,” they will just say “No. I do not have any other dogs.”

Ms. Cistaro: They can do it if the website tells them they have to bring it. If they do not want to bring in it, they will just say, “No, I do not have one (1).” It works both ways.

Council Chair Rapozo: I think the vast majority of people that go out are good people.

Ms. Cistaro: Yes.

Council Chair Rapozo: I think the vast majority of people that want to go to a shelter to save a dog or rescue a dog, are people that want to do the right thing.

Ms. Cistaro: I agree.

Council Chair Rapozo: For themselves, like even for me, I have a Chihuahua Terrier, who is getting old, I would definitely want to make sure that the dog I am bringing in is compatible. My dog is vicious. She eats pit bulls for breakfast. She thinks she can anyway. That is just my only suggestion. It is something to take back and discuss because I have heard the frustration. The couple that I spoke to said, "Forget it. I am just not going to back," was very turned off by that. There was no warning and they are very good pet owners. Their dogs all live in the house and they eat cooked meals. Interesting. Anyway, that is just my suggestion.

Committee Chair Kaneshiro: I have a follow-up for clarification. Do the kids and family members have to be there in order to adopt a dog on that day?

Ms. Cistaro: We want the kids to meet. It varies. Typically, the husband does not come in without the wife, but the wife will come in without the husband. The wife is usually the caretaker in the house. The adults do not both have to be there, but the little kids, we do want them to meet the dog, especially the dogs because again, the majority of the dogs that we are making available for adoption are stray. We do not know their history and we have no idea how they are going to react to children.

Committee Chair Kaneshiro: Okay. If you are planning to go and just look, you can go and just look, but if you are planning to go and actually adopt, then you should bring your animals and your family at the same time if you think you are going to adopt possibly that day.

Ms. Cistaro: Yes.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: One of the other concerns that came my way was about how long we hold animals in the shelter. I am not familiar with what that policy is and maybe you could shed some light on that, as well as what things would hinder an owner from reclaiming their pet because I think that is kind of what I heard.

Ms. Cistaro: Are we talking about a stray or an animal that is available for adoption? There are two (2) different holds here.

Councilmember Chock: An owned dog who is chipped and has his license.

Ms. Cistaro: So if someone has lost their animal?

Councilmember Chock: That is right.

Ms. Cistaro: Okay.

Councilmember Chock: They are gone. Maybe they are off-island.

Ms. Cistaro: Okay.

Councilmember Chock: And they are not there to claim the dog or the cat.

Ms. Cistaro: Okay. State law and County Ordinance requires that an animal without identification be held forty-eight (48) hours. Three (3) years ago during Council hearings for the budget, it was discussed that when we receive a stray animal, we do not count the day it comes in because they can come in at various times. It could come in when we are closed. If a dog came in on Monday, we count Tuesday and Wednesday as the dog or cat's forty-eight (48) hours to be viewed by the public. On the fourth day, is when a decision will be made is this dog going to go up for adoption, is going to go into foster, or is the dog going to be euthanized. That is an animal without identification. An animal that is wearing identification or even if the person that found it said, "It lives at the house on the corner," we have a potential owner for that animal. That animal, by State law and County Ordinance has to be held nine (9) days for the owner to come in and claim. We are responsible to make every reasonable attempt to make contact with the owner during that nine (9) days. We hold ten (10) days because we are closed on Sundays so we are not available for viewing. The animal is available for viewing for nine (9) full days. We send out a notice of impound on the day the animal arrives, giving them five (5) days to come in and claim the animal. On day 5, we mail a second notice of impound giving them an additional five (5) days for a total of ten (10) days. If there is an E-mail address that we have, any kind of phone number, we are making contact during the ten (10) days that way. If the first notice of impound comes back to us because it has been undeliverable or no such street address, again, it is the house on the corner, we make attempts. We have sent officers out to the location where we think the owner lives to make notice. At the end of ten (10) days, the animal is evaluated and the animal will either be made available for adoption or not. We have animals available for adoption at the shelter. We have a cat that has been there for thirteen (13) months. We have dogs there routinely three (3), four (4), or five (5) months before they are adopted or transferred to one of the mainland shelters. Once an animal is made available for adoption, there is no set holding period. As long as it is happy, healthy, and well-adjusted, it stays at the shelter.

Councilmember Chock: What would hinder, if at all, returning that animal to their owner for some reason?

Ms. Cistaro: The owner not coming in to claim the animal.

Councilmember Chock: Is that the only reason it would happen?

Ms. Cistaro: Unless there was a cruelty or a neglect concern, but no. We have returned animals that we think may not be going a good situation, and then it becomes a welfare and neglect case for the Field Services Officers.

Councilmember Kuali'i: But the other obvious thing is that in that rating period where you decide whether they are going to be made available for adoption, or what was the other two (2) choices?

Ms. Cistaro: It could go into foster or be euthanized.

Councilmember Kuali'i: Foster. If it is foster, what does that mean?

Ms. Cistaro: It means that it is in someone's home for a particular reason. So we may get an injured dog and at the end of the stray period, we decided that we were going to treat the animal, it could go into foster rather than sitting in the shelter.

Councilmember Kuali'i: If it came in and it was there available for adoption, they could see the dog and know it was there.

Ms. Cistaro: Yes, they are on our website.

Councilmember Kuali'i: Do you have an inventory of everything that is out for foster and then they could get it that way too?

Ms. Cistaro: Yes.

Councilmember Kuali'i: Obviously the only way they would not be able to get it is if it was euthanized?

Ms. Cistaro: Yes, but also when a stray dog comes into the shelter, it goes on to the website on the page that says, "Here are the lost animals that are at the shelter" so someone can go online and see if their animal is in the shelter as well.

Councilmember Kuali'i: Obviously the most important thing for animal owners who the dog might get lost to ensure their chances of getting it back is to make sure that they either have a tag or a chip.

Ms. Cistaro: Yes, they should license their dog.

Councilmember Kuali'i: Do you help with that as well?

Ms. Cistaro: We provide licenses. Every animal upon redemption, has to have a license. We are always doing licensing, vaccination clinics, and the microchip clinic. We charge \$10 for a microchip. For us, putting identification on the animal is the most important thing you can do.

Councilmember Kuali'i: Thank you.

Committee Chair Kaneshiro: I have a quick follow-up. If a dog comes in with a collar, but is not chipped and probably did not get licensed, would that be considered a stray dog?

Ms. Cistaro: Yes.

Committee Chair Kaneshiro: That is a stray dog even though it has a collar?

Ms. Cistaro: There is no identification. There is no way for us to find an owner.

Committee Chair Kaneshiro: Okay. Councilmember Chock.

Ms. Cistaro: But some animals have tattoos. We have a list of the hunters that we know have tattoos. We have engaged different hunters in the community that know the different dogs and they can say, "Yes, that is so and so's dog."

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: If there appears to be some evidence of abuse, what process does the animal go through with the owner and the organization?

Ms. Cistaro: Well, abuse and neglect are two (2) different things.

Councilmember Chock: Okay.

Ms. Cistaro: Typically, if we think that there has been abuse, it is different than if the animal has been neglected. If it has hair loss, or it is skinny, or there is a medical condition that is not being treated, we can start the treatment in the shelter and then require upon redemption that they take the animal to their own veterinarian within twenty-four (24), forty-eight (48), or seventy-two (72) hours. It depends what the situation is. We can also send an officer out to do a follow-up to see how the animal is doing. We get a lot of dogs into the shelter that are really thin dogs. Okay, is it a medical condition? How long has the dog been stray because a lot of times the dog has been missing two (2) or three (3) weeks. Okay, there is a reason. But if it has only been missing a couple of days and it looks like that, what was the problem to begin with? We get in animals that have an old fracture that was never treated. How come? Those are some of the things. We try to find out who the veterinarian is and talk to the veterinarian to find out what treatment has the animal been getting. It really depends upon the individual case.

Councilmember Chock: Okay. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: One (1) last question, and we had this discussion and I obviously have not shared it. The current statute prohibits the Kaua'i Humane Society from dealing with a cat, let us say a cat gets hit by a car, and there is very little chance of survival. Currently, the law prohibits from you euthanizing that animal.

Ms. Cistaro: It does not give us the authority to.

Council Chair Rapozo: Right, which is very strange.

Ms. Cistaro: Yes.

Council Chair Rapozo: That if, in fact, an animal comes in and it is obvious that the best course of action is euthanasia because it is not going to make it.

Ms. Cistaro: This is on a cat?

Council Chair Rapozo: Only on cats. That can cause a problem for the Kaua'i Humane Society, correct?

Ms. Cistaro: It can. Our veterinarian is the one who will make that determination.

Council Chair Rapozo: We talked about possible legislative changes to provide that authority to the Kaua'i Humane Society.

Ms. Cistaro: Yes.

Council Chair Rapozo: That in the event that the animal is or the cat is, I do not know how to put this.

Ms. Cistaro: Severely injured.

Council Chair Rapozo: Yes, that euthanasia a viable or practical option.

Ms. Cistaro: Yes.

Council Chair Rapozo: Would that help the Kaua'i Humane Society?

Ms. Cistaro: Yes.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I am not sure this is the appropriate place and Committee Chair Kaneshiro, if you want me to do an offline, I can. There was a letter submitted as part of public testimony on the funding for the Kaua'i Humane Society about a

case where animals were taken from a house. I did send that over to Penny to get her answer. I thought maybe she might be able to share it with all of us since I think we all got that public testimony. I do not know if there was a picture. It was handwritten testimony by Felicia.

Council Chair Rapozo: Oh, yes.

Councilmember Yukimura: Penny do you know which one I am talking about?

Ms. Cistaro: I remember this, yes.

Councilmember Yukimura: The charges were that the Kaua'i Humane Society had gone in on a barking dogs complaint and taken the animals and euthanized one (1) of them. Can you explain the actual background on that?

Ms. Cistaro: The barking dog complaint came in August of...

Councilmember Yukimura: Under the old law?

Ms. Cistaro: Of 2014. The complainant never followed through with the log. We never acted on the barking dog complaint. That was in August. In January of 2015, a Kaua'i Police Department (KPD) officer went to the property and I think the KPD officer went to the property on a barking dog complaint from a neighbor. But we got the complaint about a cruelty complaint from the KPD officer. Our officers went out the next day and met KPD there. The owner came home from work because KPD called her and asked her to come home. The dog was sixteen (16) or seventeen (17) years old, had an enormous tumor on her side, could not stand up, was laying in her own waste, and then the cats were all...there were five (5) cats that were sick in cages that were filthy. We gave her an option of surrendering the animals to us or we would seize them because of the deplorable conditions that the animals with were living in. She made the decision to euthanize the dog that was seventeen (17) years old, and surrendered the cats to us. She was cited for six (6) counts of cruelty to animals. That was what Felicia witnessed in court, was her sentencing for that case. There was no barking dog complaint that got us out there. It got KPD out there.

Committee Chair Kaneshiro: Are there any further questions?

Ms. Cistaro: We do have pictures of the dog and the cats in that case.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I just was going to also ask along the lines of what Council Chair Rapozo asked for and my request for narrative with the budget as far as number of staff. Also on the other side to that, the number of...I do not know how to say this better, the number of animals served.

Ms. Cistaro: We provide full reports to Council on a quarterly basis with the budget.

Councilmember Kualii: When was the last one?

Ms. Cistaro: You are going to get one April 15th because that is the quarter.

Councilmember Kualii: Okay, that is perfect.

Ms. Cistaro: It provides all of the statistics, all of the animals coming in, adopted, redeemed by the owner, euthanized, all of the cases that the officers have been handling, and there will be a barking dog report with it as well.

Councilmember Kualii: The only other thing, on this actual budget with the numbers here, under "supplies," I noticed that 50213 Animal Food went from \$31,000 to \$15,000, which is cut in half. 50415 Medical Supplies went from \$34,000 to \$15,000, also cut in half. Did you find these things for a cheaper price or are you serving less animals?

Ms. Cistaro: We are serving less animals. The population is going down each year. This year, it has gone down. The year before, it went down about sixteen percent (16%). We are looking at another fifteen percent (15%) reduction. So your food obviously is going to go down. Medical expenses, we renegotiated costs for vaccinations and some other supplies. So that is reflected in there as well as a substantial savings because the number of animals coming is going down.

Councilmember Kualii: Does that mean less animals are going stray, less animals are being abused, and is there a flipside to that that maybe as far as the number of animals that are being euthanized?

Ms. Cistaro: The number of animals being euthanized has dramatically decreased as the number....

Councilmember Kualii: Decreased also?

Ms. Cistaro: Yes. We are transferring more animals to the mainland and our adoptions are holding steady. So with less animals coming in, we have a better chance of getting animals out and decreasing euthanasia.

Councilmember Kualii: Thank you.

Ms. Cistaro: We would like to think that people are more responsible and there are more spay/neuter.

Councilmember Kualii: Education.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: When you say that the number of animals have declined, are those both cats and dogs?

Ms. Cistaro: Yes.

Councilmember Yukimura: Do you have percentages of decline? You said fifteen to sixteen percent (15-16%)?

Ms. Cistaro: Well, I just looked at the statistics yesterday. I know the only number I remember off the top of my head is that we have received year-to-date, about four hundred (400) less stray cats. That is for the same time last year. I think it is about fifteen percent (15%) that we have decreased so far this year. Again, that is on the quarterly reports that we can...

Councilmember Kualii: That is coming in April.

Ms. Cistaro: Yes.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Are there any further questions? If not, this is our last item for today.

Ms. Cistaro: I have one (1) question. The May deadline, do I get that to the Department of Finance or directly to Council?

Council Chair Rapozo: You can shotgun it both ways if you can. Are you going to do it via E-mail?

Ms. Cistaro: I can.

Committee Chair Kaneshiro: If you do hard copy, you can send to the Administration and we will get a copy.

Ms. Cistaro: Okay.

Committee Chair Kaneshiro: Again thank you, Penny, for coming out and answering our questions. At this time, I would like to recess the Departmental Budget Reviews. We will reconvene tomorrow at 9:00 a.m., Friday April 8th. We will have the reviews for Civil Defense, Office of the County Attorney, Office of the Prosecuting Attorney, and Agency on Elderly Affairs.

There being no objections, the Departmental Budget Reviews recessed at 1:39 p.m.